

JPRS-WER-87-075

18 SEPTEMBER 1987



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

West Europe

18 SEPTEMBER 1987

WEST EUROPE

CONTENTS

POLITICAL

DENMARK

- Schluter Outlines Election Platform Issues
(Per Lyngby; BERLINGSKE TIDENDE, 21 Jul 87) 1
- Coalition Facing Elections Dependent on Radicals, Progressives
(John Wagner; BERLINGSKE TIDENDE, 21 Jul 87) 3

DENMARK/GREENLAND

- Election of Johansen to Siumut Chairmanship Accepted Calmly
(GRONLANDSPOSTEN, 12 Aug 87) 6
- More Active Leadership Wanted 6
- Siumut's New Executive Council 7

FINLAND

- Holkeri Rejects Sorsa Call for 'Finnish Line'
(HELSINGIN SANOMAT, various dates) 8
- Prefers 'Paasikivi-Kekkonen Line' 8
- Leading Paper Views Issue, Editorial 9
- Center Paper Renews Attack, Editorial 11
- Paper, Columnist on Poll Showing Youth Deserting Left
(HELSINGIN SANOMAT, 30 Jul, 8 Aug 87) 12

Also Losing Labor Vote, Editorial	12
Soviet Model Lacks Attraction, by Sakari Maattanen	13

ICELAND

People's Alliance Rocked by Internal Conflict (MORGUNBLADID, various dates)	16
Thjodviljinn Publishing Board Resignations, Editorial	16
Gestsson: Internal Power Struggle	17
People's Alliance Stress, Contractions, by Staksteinar	18
Crossroads, Fighting, by Gudmundur Magnusson	20
Party Crisis Meeting, by Staksteinar	27
People's Alliance Soul Searching	28

NORWAY

Nonsocialist Parties Defeated in Attempt Against Brundtland (AFTENPOSTEN, various dates)	31
Labor Party Emerges Strengthened, by Lars Hellberg	31
Political Scientist's Assessment, by Hans Chr. Erlandsen	33
Conservatives Must Act Alone, Editorial	35
Prethus: Stronger Conservative Profile, by Eivind G. Karlsen	36
Labor, Center Party Cooperation	38
Center Party Demise Predicted	40
Conservative, Christian Party Partnership, by Kjell Hanssen	41
Prime Minister's Power Increased, by Fin Langeland	43
Christian Party Seen Capitalizing, by Morten Malmo	44

MILITARY

EUROPEAN AFFAIRS

NATO Forward Sealanes Strategy in North Sea Reviewed (Siegfried Thielbeer; FRANKFURTER ALLGEMEINE, 19 Jun 87).	46
---	----

DENMARK

BALTAP Commander, Foreign Minister on Arms Talks, Budget (BERLINGSKE TIDENDE, 23, 24 Jul 87)	49
General: NATO Reinforcement Jeopardized, by Nils Eric Boesgaard	49
Nuclear Disarmament, Conventional Buildup, by Thorkild Dahl	51
Defense Minister Engell Presents Case for Increased Budget (Hans Engell; BERLINGSKE TIDENDE, 25 Mar 87)	53

Paper Views Public Attitude Toward Defense Will, Funding (Editorial; BERLINGSKE TIDENDE, 20-26 Mar 87)	56
Civil Defense Association Chief Cites Need for Added Funds (Ole Lund; BERLINGSKE TIDENDE, 6 Apr 87)	61
NORWAY	
Vigleik Eide, New Armed Forces Commander, Gives Views (AFTENPOSTEN, 9, 11 Apr 87)	65
Presently Northern Forces Commander, by Hans Chr. Erlandsen	65
Worked on 'Brigade 90' Study, by Olav Trygge Storvik	66
Changes in Other Posts, by Liv Hegna	68
SWEDEN	
Naval Staff's Hofsten: USSR Subs Practicing Surprise Attack (Bo Westmar; DAGENS NYHETER, 24 Jul 87)	70
Weapons Used Against Suspected Foreign Submarine (DAGENS NYHETER, 24 Jul 87)	73
Defense Staff Chief Assesses Latest Sub Hunt, ASW Outlook (Sigrid Boe; DAGENS NYHETER, 15 Aug 87)	74
Sweden, France Compete for Aircraft Sale to Norway (Margit Silberstein; SVENSKA DAGBLADET, 17 Jul 87)	77
Norway, Switzerland, Denmark Evincing Interest in Buying JAS (SVENSKA DAGBLADET, 17 Jul 87)	79
Poll Shows Reduced Confidence in Armed Forces (Hans O. Alfredsson, Helena Thorfinn; SVENSKA DAGBLADET, 26 Jul 87)	80
Foreign Affairs Researcher Questions 'War Warning' Doctrine (Olof Svensson; DAGENS NYHETER, 27 Jul 87)	84
Paper: System for Long-Range Defense Budgeting Undermined (Editorial; DAGENS NYHETER, 23 Jul 87)	87
ECONOMIC	
FINLAND	
Finnish Firm First From West in Cooperative Venture in USSR (Ilkka Lampi; UUSI SUOMI, 12 Jun 87)	89
Production With Estonian Kolkhoz	89
'Pioneering Venture' Analyzed	91

Economy Seen Suffering From Underlying Problems (Editorial; UUSI SUOMI, 5 Jun 87)	92
NORWAY	
Finance Minister Assesses Threat to Creditworthiness (Lars Ditlev Hansel, Morten Abel; AFTENPOSTEN, 9 May 87)	94
Growth Figures for 1983-1986 Revised Upward (Cecilie Norland; AFTENPOSTEN, 12 May 87)	97
Government Agency Reports Reduced Inflationary Pressures (Truls Martinsen; AFTENPOSTEN, 12 May 87)	99
Swedish Financier Sees Positive Trends in Country's Economy (Kjell Aaserud; AFTENPOSTEN, 12 May 87)	102
'Scenario for Norway Toward Year 2000' Predicts Trends (Cato Guhnfeldt; AFTENPOSTEN, 13 May 87)	104
PORTUGAL	
Entrepreneurs Consider Privatization 'Urgent' (EXPRESSO, 1 Aug 87)	106

/7310

SCHLUTER OUTLINES ELECTION PLATFORM ISSUES

Copenhagen BERLINGSKE TIDENDE in Danish 21 Jul 87 p 1

[Article by Per Lyngby: "Ruling Coalition Understands Disappointed Voters"]

[Text] "There are many details of our policies which we ourselves are not so pleased with," admits Prime Minister Poul Schluter. The government will not hesitate to take belt-tightening measures. Energy taxes possibly will be lowered.

"For many reasons, a number of non-socialist voters are not overly impressed with the policies of the four-party ruling coalition. And they are right in some cases, since there are many details of our policies which we ourselves are not so pleased with. It cannot be otherwise after five years."

This was the admission of Prime Minister Poul Schluter (Conservative), following a meeting yesterday with the group leaders of the ruling four parties. The meeting took place at the home of Liberal Ivar Hansen on his farm in Agerbaek near Esbjerg.

The prime minister emphasized, however, that "there is not a shadow of a doubt that all four parties are intent on continuing the four-party coalition."

"Each of the four parties has its own political profile, and they should not be wiped out," said Poul Schluter. "But the four-party coalition will meet the voters united, since we are four branches of the same political family. And we have the will to continue."

He had little positive to say about the only possible alternative to the four-party coalition as a governing possibility following the next election--a coalition between the Social Democrats and the Socialist People's Party.

"At present, they have absolutely nothing convincing by way of the strength and ability to cooperate on any policy. And we have not heard what it is by way of a policy they will pursue," he asserted.

Additionally, the prime minister had the following messages for the country:

Economic developments are satisfactory in all respects, but this fall, the government is "prepared to adjust its economic policies" should this prove necessary for increasing exports.

If oil becomes more expensive, in October, the government is "prepared to adjust energy taxes downward accordingly," so that energy prices will not increase.

A parliamentary election will be held "a Tuesday in the late fall."

12578

CSO: 3613/115

COALITION FACING ELECTIONS DEPENDENT ON RADICALS, PROGRESSIVES

Copenhagen BERLINGSKE TIDENDE in Danish 21 Jul 87 p 14

[Commentary by John Wagner: "The Second Danger"]

[Text] "The hysterical old ladies" of the stock market react instantaneously when an opinion poll shows a socialist majority. Stock prices tumble.

Lesser, but noticeable fluctuations--/also/ with increasing interest rates as a result--occur when the Progressives appear as holding the balance of power following the coming election.

The /second/ danger is more probable than the first, but certainly not more palatable.

Political stability requires that the four governing parties and the Radical Liberals maintain the majority in Parliament. The assertion by the Progress Party--that a more non-socialist policy can be pursued if that party overtakes the Radicals' role as a support party, or at least acquires the balance of power such as was the case during the period from September, 1982 to December, 1983--does not match with reality.

The experience of the ruling parties with a "cooperation" with the Progress Party has, among other things, its roots in the fact that Mogens Glistrup and others prevented the formation of a four-party government in 1975, and that Helge Dohrmann and a few others in December, 1983 joined in defeating the government's budget proposal for 1984, necessitating an election thereafter. The Progressives in Norway also have prevented a non-socialist government.

And why should it be otherwise following an election this fall?

The Progressives' political spokesperson, Pia Kjaersgaard, told LO-BLADET last week that "we absolutely will not vote for something solely for the purpose of preventing the toppling of a non-socialist government."

She thereby confirmed that "a non-socialist vote for the Progress Party is playing with fire," an expression used in a commentary by Conservative group chairman Knud Ostergaard.

The Radicals' group chairman, Niels Helveg Petersen, has said it even more clearly: "That which is made of Z [Progressives' ballot designation], is made of sand."

For non-socialist voters, the greatest danger lies in a so-called worker majority--a Social Democratic/Socialist People's Party government, or a Social Democratic minority government based on parliamentary mandates from the Social Democratic and Socialist People's parties, and maybe the Left Socialists and/or the Danish Communist Party, the Common Course Party, the Greens, etcetera.

But a weakened four-party coalition government dependent on /both/ the Radicals /and/ the Progressives is not any less dangerous. Such an unstable construction of a majority could lead to the Radicals once again betraying non-socialist Denmark and renewing cooperative efforts with the Social Democrats. In the worst situation, this could lead to a Social Democratic leadership of the Danish society for the rest of this century. Nothing suggests that it ever would be possible to bring back a non-socialist majority which /excluded/ the Radicals.

In contrast, a clear vote of support for the five parties behind the current economic policies can strengthen many positive trends toward breakups, among other things, in the labor movement, where large groups of functionaries are dissatisfied with perverse labor unions and inflexible collective bargaining agreements.

With the four-party coalition and cooperative efforts with the Radicals, a basis is created for non-socialist governing leadership when there is a non-socialist voter majority. The Social Democrats' "right of primogeniture" for forming a government is broken. There is, and hopefully will continue to be, the historical perspective--and it is precisely in this light that the Progressives' attempt to overtake the Radicals' role should be viewed. It /is/ a dangerous game of playing with fire.

If Pia Kjaersgaard, Mogens Glistrup, Helge Dohrmann and others acquire power, as they seek, the Radicals will evaporate--and therewith, a non-socialist parliamentary majority. When the experienced parliamentarian Justice Minister Erik Ninn-Hansen expressed fear in Sunday's JYLLANDS-POSTEN that a number of non-socialist voters will stay home on election day in protest against the government, this must be viewed as a scream for help.

"I absolutely do not believe that it is certain that the government will continue. I recall a little bit too much about the VKR government [coalition of Liberal, Conservative and Radical parties]," stated Erik Ninn-Hansen.

And what happened then? The VKR government lost its parliamentary majority--among other things, by reason of a low non-socialist voter participation in the election. This was followed by 11 years of Social Democratic rule, broken only by one year with Paul Hartling's weak Liberal government.

The truth is that to the extent the non-socialist-minded voters remain home on the sofa or vote for the Progress Party, they thereby indirectly support a change of government. And the alternative to the four-party coalition government and its cooperation with the Radicals, is nothing other than a non-socialist government. Under the best of circumstances, the alternative is another, less non-socialistic government, or in the worst case, a government of the Social Democratic and Socialist People's parties.

Remember this on election day!

It is /not/ always without reason that the stock market reacts hysterically.

12578

CSO: 3613/115

ELECTION OF JOHANSEN TO SIUMUT CHAIRMANSHIP ACCEPTED CALMLY

More Active Leadership Wanted

Godthaab GRONLANDSPOSTEN in Danish 12 Aug 87 p 4

[Text] It was not disagreement over policy but a desire for greater party activity that prompted the Siumut Party to elect a new chairman.

Lars Emil Johansen's election as the new chairman of the Siumut Party [socialist, radical home-rule party] was the result of the strong desire on the part of congressional delegates to re-establish Siumut as a dedicated popular movement in which the approximately 60 party societies could play an active role. As far as GRONLANDSPOSTEN was able to ascertain from the closed sessions at the congress, no criticism was expressed there of government leader Jonathan Motzfeldt's political activity. On the contrary he was highly praised for his leadership of the cabinet.

Contact is needed with Siumu's grassroots level. This was expressed very forcefully by several groups during the internal and closed discussions at the Siumut congress. Many felt the party had come to a complete standstill as a movement and the government was criticized for having spent too little time on contacts with party members. That was the reason why Jonathan Motzfeldt surprisingly lost the contested election for the Siumut chairmanship to Lars Emil Johansen.

Jonathan Motzfeldt would have preferred to have the same person serve as both party chairman and head of the government. But he admitted that it was hard to find time for party work as well, because the government work required so much time and energy. After the chairmanship changed hands, many in the Siumut Party have been anxious to know how the government leader took the outcome. According to our sources Jonathan Motzfeldt took it very well and fully accepted the fact that the new arrangement has some advantages. And when Siumut held its 10th anniversary celebration in Julianehab Hall, which was attended by several hundred guests, the mood was excellent. The incoming and outgoing chairmen appeared on the stage together and Hendrik Nielsen, a member of parliament, sang.

No Disagreement on Policy

Most of the time spent in closed meetings at the congress was devoted to re-viewing all the cabinet areas from the point of view of policy. The congress was divided into subgroups which gave a report to the congress as a whole.

As far as we have learned, the conclusion of this thorough review was that the congress, with a few individual exceptions, had no objection to the policy that is being pursued. There is nothing to suggest that the congress was split into political wings or that the contested election for the chairmanship affected the policy discussions.

The congress ended on a happy note with the anniversary celebration and on Sunday there was a soccer match between the "old people" and Siumut Youth members, who lost 2-3, with Preben Lange acting as umpire. Jonathan Motzfeldt played left wing. Lars Emil Johansen had a sore foot and was a spectator.

In connection with Siumut's anniversary, Siumut Youth enthusiastically rigged up a beacon on top of the Qaqorloq telecommunications center.

Siumut's New Executive Council

Godthaab GRONLANDSPOSTEN in Danish 12 Aug 87 p 5

[Text] There were 19 candidates in all for the 13 seats on the party's central board that were up for election at the Siumut Party congress.

In addition to electing the party chairman there were also direct elections for the two deputy chairmanship posts and the position as treasurer. All of these elections were uncontested. Moses Olsen was unanimously re-elected as political deputy chairman. Jens Lyberth was elected as the new organizational deputy chairman and Hansepajuk Gabrielsen was elected as the party's new chief treasurer.

These people make up the executive committee along with one member elected by the entire central board, which appointed Hans Iversen.

Those elected to the central board for the first time were former member of parliament Isaq Lund, municipal council member Birthe Nielsen from Qasigiannnguit, Karen Egede from Nuuk and school principal and former party secretary Kai Kleist.

Those re-elected to the central board were regional physician Ove Rosing Olsen of Sisimiut, cabinet member Hans-Pavia Rosing of Nuuk, teacher Johanne Olsen and fisherman Hans Iversen of Ilulissat, deputy mayor Michael Petersen of Uummannaq and two alternates, member of parliament Bendt Frederiksen of Upernavik and Greenland Workers' Union [SIK] chairman Finn Heilmann of Nuuk.

Those stepping down from the Siumut central board were Emma Nielsen of Uummannaq, Agnete Davidsen, Jonathan Motzfeldt and Ove Berthelsen.

6578

CSO: 3613/124

HOLKERI REJECTS SORSA CALL FOR 'FINNISH LINE'

Prefers 'Paasikivi-Kekkonen Line'

Helsinki HELSINGIN SANOMAT in Finnish 27 Jul 87 p 12

[Article: "Holkeri Government Will Not Use 'Finnish Line'"]

[Text] In office for 3 months now, the Harri Holkeri (Conservative Party) government is not about to change the terms used to refer to Finland's foreign policy. In a Sunday radio broadcast, Prime Minister Holkeri quite clearly dissociated himself from Foreign Minister Kalevi Sorsa's (Social Democrat) idea that we should begin to refer to our foreign policy line as the Finnish Line.

According to Holkeri, the term Paasikivi-Kekkonen line will continue to be used in all official contexts, "if the choice depends on this administration."

Foreign Minister Sorsa proposed his idea for using the term Finnish Line at a press conference in Stockholm early this summer. During a radio interview with the prime minister on Sunday, Prime Minister Holkeri was asked whether Sorsa had the prime minister's support behind his proposal.

Holkeri replied that he had not known about Sorsa's statement beforehand. Holkeri noted that the foreign minister needs the prime minister's permission for such statements and that, strictly speaking, Sorsa did not make any proposal. "He described the course events had taken as being such that we might talk of a Finnish Line.

"So that there won't be the slightest misunderstanding, I for my part am saying that the Paasikivi-Kekkonen Line is familiar and safe as a designation and as a term and that it will continue to suit me, at least. It will continue to be used in all official contexts if the choice depends on this administration," Holkeri said.

The prime minister defended his foreign minister by reiterating that the "Finnish Line" is nothing but a descriptive term and that people should not go ahead and quite preposterously accuse the foreign minister of having scrapped our views on the matter.

"If I wanted to further split hairs in connection with this, I would say that Finland's line is the Finnish Line is, after all, a circular definition and, as

such, it is not really properly suitable as any sort of identifying term," Holkeri pointed out.

He further assured us that he, at least, wants to stick with the old term of Paasikivi-Kekkonen Line.

The director of foreign policy, President Mauno Koivisto, has not publicly assumed a stance on the "Finnish Line," but nothing indicates that Sorsa may have had the backing of the president when he presented his idea.

Sorsa has not had anything to say about the definition of the policy line since Stockholm. According to what has been reported, Sorsa afterwards explained that his statement was some sort of slip of the tongue.

During the radio interview Holkeri was also asked whether he could assure us that Finland's foreign policy would not be changed, that its center of gravity would not, for example, be shifted closer to the West.

"I can assure you of that," Holkeri replied curtly.

Holkeri shared Finance Minister Erkki Liikanen's views on next year's budget.

"Now, when a relatively favorable economic situation prevails, is not the time to expand the national economy. If we are too free-handed now, we won't have anything to draw on when the going gets rough. It would unquestionably be a mistake to be too free-handed," Holkeri backed Liikanen's red-pencil approach.

In answer to the question as to whether taxes would be increased next year, Holkeri replied: "Since we are by no means relaxing the national expenditure economy, I would also think that there is no need for increasing taxes."

The prime minister was asked whether the tax reform promised by the government would be a fortunate or unfortunate tax reform.

"It must be a tax reform that supports effort and exertion. Now if we have to apply new taxes somewhere, we must do so in those sectors where there is idle money. I don't know whether those who are sitting on idle money are fortunate or unfortunate," Holkeri replied.

The prime minister's radio interview was the first one after a interval of 9 years. At the end of the program he gave us to understand that the hour-long interview programs would continue in the fall. Holkeri was questioned by four newspaper editors and one radio editor.

Leading Paper Views Issue

Helsinki HELSINGIN SANOMAT in Finnish 28 Jul 87 p 2

[Editorial: "Everything Essential Was Said"]

[Text] During a radio interview on Sunday Prime Minister Harri Holkeri had an opportunity to dissociate his administration from Kalevi Sorsa's term, the Finnish Line. His administration intends to use the term Paasikivi-Kekkonen

Line in all official contexts. The familiar Paasikivi-Kekkonen Line suits him better too.

There is nothing dramatic in Holkeri's stance, although it has not gone unnoticed that the prime minister, who has only been in office for 3 months, had a rare opportunity to correct Sorsa and, to boot, in connection with a matter which is scarcely distasteful to the Conservative minister. The merit Sorsa has earned in the field of foreign policy is, after all, well-known and in the government he is regarded as a sponsor of the currently established policy line.

But, as is evident from this situation too, the debate engaged in over the term used to refer to Finnish foreign policy has assumed absurd proportions and inconceivable dimensions. At issue, after all, is something that is purely semantic in nature. Chosen by the president, Finland's foreign minister cannot even in an experimental spirit propose anything that might contain the notion of a change of course. Our postwar policy line has proven itself to be a good solution to the problem and it enjoys the support of the people. There is no special need or reason for correcting the term any more than there is for correcting the policy line.

Sorsa spoke of a Finnish line at a press conference in Stockholm on 23 June. He was trying to show, with the aid of that expression, how well-established Finland's foreign policy line is. It is precisely the established nature of this line that would allow us to use a simpler term since it is self-evident what is meant by it, he concluded.

Sorsa's idea was rejected right away. Politicians as well as the press announced that they were supporters of the Paasikivi-Kekkonen Line. Only a few SDP [Social Democratic Party] politicians and the party press had the patience to follow their former chairman's line of thought. Nor was Sorsa understood in newspaper public opinion section items either.

The already dying debate flared up anew a couple of weeks ago due to an external impetus when Soviet Foreign Ministry department head Yuriy Deryabin, an expert on Finland, defended the term Paasikivi-Kekkonen Line. In his opinion, it best describes our postwar foreign policy. Deryabin justified the use of the term on the basis of its historical and political significance and asked why we need to invent new terms.

At the latest now, after Holkeri's comment, the whole discussion can be ended since it is pointless. People have now managed to say everything of any importance about it. The prime minister's position ought to reassure even a doubting Thomas: The policy line will not change and the term used to refer to it will be preserved. It is also worth noting that Holkeri would scarcely have corrected Sorsa as emphatically as he did if he had not been convinced of the support of the country's top leaders. To be sure, Sorsa spoke of a Finnish line, but without considering every last consequence [of what he was saying], since foreign policy still appears to be a sensitive area in which misunderstandings easily arise or are created.

Center Paper Renews Attack

Helsinki HELSINGIN SANOMAT in Finnish 30 Jul 87 p 11

[Editorial roundup]

[Text] Kekkonen's Election Trump

Seppo Keranen, the chief editor of the Center Party's LALLI, is still needling Foreign Minister Kalevi Sorsa (Social Democrat), who said that we might speak of the Finnish Line instead of the Paasikivi-Kekkonen Line.

"Before the Social Democrats succeed in completely burying the term that describes our postwar foreign policy, it is worth recalling how the idea was born," Keranen writes.

In the Agrarian League inner sanctum they had for a long time been pondering over the choice of a suitable slogan for the 1956 presidential elections. The party's candidate was Urho Kekkonen. The term Paasikivi-Kekkonen Line was born during those deliberations.

According to Keranen, party secretary Arvo Korsimo, the ex officio election campaign leader, deliberately had the phrase recorded in the proceedings of a certain institution as early as 1954. The term is justified in the election propaganda plan by the claim that, "in addition to its strength in terms of foreign policy, this campaign theme has the unbeatable advantage of indicating to voters the 'order of succession to power': After Paasikivi, Kekkonen will become president."

In the party it was decided that they would not ask Paasikivi for permission to use the term. They chose September 1955 as an appropriate time to make it public, at which time the Soviet Union had returned the Porkkala Peninsula to Finland before the specified occupation period was over. The party organ MAAKANSA was the first to use the term Paasikivi-Kekkonen Line on its front page and the next to do so was then Foreign Minister Johannes Virolainen (Center Party) in a radio statement.

"Conservatives and the Social Democrats had fits," Keranen reports on the reception the term got.

11,466

CSO: 3617/132

PAPER, COLUMNIST ON POLL SHOWING YOUTH DESERTING LEFT

Also Losing Labor Vote

Helsinki HELSINGIN SANOMAT in Finnish 30 Jul 87 p 2

[Editorial: "Pressures on Left to Reform"]

[Text] An opinion poll involving the four biggest parties has once again leaked scattered information to the public. After all, the parties in principle keep the results of the polls regularly commissioned by them solely for internal use, but the temptation to use the information to serve their own purposes every now and then gets to be too great. That is the case now too.

Conducted in April, the poll sheds a lot of light on the Left's familiar support problems. Support for the SDP [Social Democratic Party] is, after all, at a standstill and support for the SKDL [Finnish People's Democratic League] is declining. The poll confirms the fact that the parties of the Left's big common problem and challenge are where to find new support. Their former voters are being retained and they have not sold out their ideals, but without new supporters their decline is irreversible.

The SDP and the SKDL no longer have a hold on young people and students. They wasted or botched their big chance in the late 1960's and early 1970's. Young people in the 1980's are voting for the Conservative Party. The likes of this would have been unheard of 20 years ago.

The Left has not kept up with the transition in occupational structures either. Both parties are still characterized as worker parties, although we hear it claimed that they are other than that. Sixty-five percent of SDP supporters are workers and 68 percent of the People's Democrats are. White-collar and government employees account for just under a fourth of the SDP, although they do account for a fifth of the Center Party as well. As was to be expected, the Conservative Party is the biggest white-collar personnel party.

The SDP has reacted to its support problems by replacing its party leadership. The SKDL believes that the party will recover and it believes in Kalevi Kivisto. The choice of a party is not, however, based on cosmetics, but on ideals and values. This is why the Left's position is a precarious one. Changing the climate of public opinion is a difficult task. In running with the tide, however, one may lose one's identity.

Soviet Model Lacks Attraction

Helsinki HELSINGIN SANOMAT in Finnish 1 Aug 87 p 12

[Commentary by Sakari Maattanen, the "mute witness": "Left Denies Individual--and Loses Young People"]

[Text] A poll conducted by the Finnish Gallup Company last spring reports that the Left has lost the support of young people to the Conservative Party. New SDP chairman P. Paasio interprets the results as being due to "Americanization." "Our at present strongly Americanized cultural atmosphere favors the kind of simplified social thinking that the Conservative Party represents. Leftist ideology is more complicated than that and understanding it perhaps demands more thorough familiarity with it," P. Paasio explained.

But do Paasio's claims represent more thorough familiarity? Is the rise of the Conservative Party a consequence of Social Democratic actions? And can there be vuppies, "young urban professionals," in Finland, as young people who have turned their backs on the parties of the Left loudly insist there are? Do not the very ones who level this charge themselves have sailboats, their own homes, fine summer cottages and money for first-class travel abroad?

Young Finns scarcely have the money for such things. While they dress fashionably, take pains with their outer appearance, this scarcely makes them yuppies, no more so than their slovenly appearance made their critics, the old-guard leftists, hippies in their time. Besides, a capitalist tradition and city culture are lacking here. Helsinki is a provincial town. According to the statistics yearbook, in early 1986 "only" 42.3 percent of the population in Helsinki went barefoot.

Even Paasio's charge that Finnish culture is "Americanized" is shaky. The United States has many faces. Americanism is not a one-sided affair. And the little bit of it that might be called Americanism here is very much home-brewed, native Finnish in character.

Young people react to the American way of life in a healthy, critical way, just as they do to the Soviet model. There are, of course, exceptions.

The Western model is more attractive. The Soviet model does not even appeal to the Soviets.

While we in Finland are harping on things on the basis of the old Left-Right ideological axis, a completely different kind of development is in progress in Europe. Political content has changed. In people's current frame of mind the parties are losing their importance. The leading philosophers and sociologists say that the reason for the Left's failure is that it has forgotten the individual, whose responsibility will be more and more important in the future.

More emphasis is being laid on individuality in this period of narcissism and swift communications. Everyone wants to be something, /somebody/ [in italics]. Even if only mentioned and seen once. People want to exert influence on the content of their lives. This can be seen in young people.

The well-known trailblazer of modern Italian sociology, Francesco Alberoni, "the chatter," as he is called, speaks of the time of change that is now evolving, the "stato nascente" [state of existence that is now coming into being], and focuses on young people, examines the situation through them.

At first glance they all appear to be like one another. But, although young people appear to be the same, the differences between the various age groups among young people have grown enormously.

In the 1950's one's social status governed the difference. A 16-year-old either attended school or started to wrk. At about the age of 20 one may have already started a family. They all, however, shared the same culture.

Today, young people of different ages do roughly the same things; they generally study. But the cultures of the different age groups among young people are different. An 18-year-old does not readily identify himself with a person who is a couple of years older than himself. This is not due to the fact that their social roles may be different, but that their cultural experiences and views of the world are different.

The pace of change, acquisition of experience and fashion and style has accelerated. The role of every individual is filled with an accumulation of huge amounts of different kinds of experiences, a whole bunch of different options for leading one's life, which would only materialize if we could be reborn again and again.

Nowadays, the division of labor and the differences between the various job functions are dizzyingly complex. In every field specialization is the order of the day and every specialized field has its own organization, jargon, gestures, its own code. It is difficult, if not impossible, for an engineer or a doctor specialized in his field to switch just like that to another field and they hone their special skills by attending the leading seats of learning and receiving training in them.

An individual's personality evolves only in a culture in which communication is close and the number of experiences is so great that he is compelled to diversify. A person living in the environment of a modern city is the sum of all those experiences and changes occurring at every moment which the city produces. At every moment he has to choose from among the data he has internalized. The choices occur only once. They involve risks, the chances of succeeding and failing. And it is precisely through these choices that his personality is determined.

Thus in the future people will evolve in a more individual way than before. People live longer and the number of their experiences is growing. One's personality is developing faster, with more urgency. Naturally, this results in dangers, suffering, since the course of individualization is filled with challenges and struggles. A person may just as well discover himself as be cast adrift.

Personality is a person's striving to create his own unique and individual way of organizing all the data and experiences the world of the future will be feeding us more and more of as time goes by.

Finland is still tied to its Calvinistic puritanism. Suffering is held in esteem. Parents complain that young people do not really know how to appreciate the property and prosperity they secured with the sweat of their brows and hard work. That young people do not know what war and privation are.

But should they know? Can we at last start with the premise that the wars have been fought and the privations suffered? Why should our young people bear the same yoke, make the same stupid mistakes that lead to howling and the gnashing of teeth?

Should we not get away from the discipline and order of the Kekkonen era, from the belief that every Finn who occupies a command position has to be a high jumper and born in a log cabin and make a great show of poverty and manly strength? One of the autocratically subjugated and humbled common people?

Whether or not it be Americanization, conservativization is perhaps young people's attempt to break away from the ghosts of the past.

11,466

CSO: 3617/132

PEOPLE'S ALLIANCE ROCKED BY INTERNAL CONFLICT

Thjodviljinn Publishing Board Resignations

Reykjavik MORGUNBLADID in Icelandic 23 June 87

[Editorial: "THJODVILJINN Publishing Board: Gestsson and Grimsson Resign']

[Text] People's Alliance Chairman Svavar Gestsson; Kristin A. Olafsdottir, deputy chairman; Olafur Ragnar Grimsson, chairman of the Executive Board, and Adda Bara Sigfusdottir all left the THJODVILJINN Publishing Board at the annual meeting of the THJODVILJINN Publishing Association last Thursday evening. According to MORGUNBLADID sources, an informal agreement had been reached last winter that Svavar Gestsson and Olafur Ragnar Grimsson would both leave, as their presence on the Publishing Board was felt to restrict professional activities of the board.

MORGUNBLADID sources say that the Publishing Board was more or less unable to function because of political conflict between Gestsson and Grimsson, and that is the reason an agreement was reached on this matter. It had also been judged natural to undertake further cleansing of opposite poles, and negotiations were undertaken to have Kristin A. Olafsdottir and Adda Bara Sigfusdottir leave the board for the same reasons. They all asked not to be reelected at the annual meeting.

On the Board of Directors are now: Alfheidur Ingadottir; Gudni Johannesson; Gudrun Hallgrimsdottir; Halldor Gudmundsson; Helgi Gudmundsson; Hrafn Magnusson, Olga Gudrun Arnadottir; Mordur Arnason and Ragnar Arnason. Deputy board members are: Sigridur Hanna Sigurbjornsdottir; Kristin Olafsdottir, Pall Baldvin Baldvinsson and Saeunn Eiriksdottir.

A motion was made at the meeting to elect Bjorn Jonasson of Svart a Hvit [publishing house] to the Board of Directors but he did not receive enough votes. The same applies to Kristin Olafsdottir. A motion was made to elect her to the Board of Directors but she did not receive enough votes. MORGUNBLADID has from reliable sources that although people are fairly satisfied with this board, that certain dissatisfaction prevails on the Editorial Board of THJODVILJINN because Bjorn Jonasson was not elected. Members of the Editorial Board of THJODVILJINN, along with the younger people in the party, are said to have wanted the emphasis of the paper changed from

the political conflict which has prevailed between opposite poles in the party over to professional discussion in which people who knew about publishing and operations were involved. Moreover, certain editorial members of THJODVILJINN felt that Bjorn Jonasson would be ideal to become a member of the Publishing Board. Also, the Editorial Board is not too keen on the election to the board of Gudrun Hallgrimsdottir, who is a chemical engineer. It is pointed out that she has never been involved in publishing a paper. Also, that without a doubt she belongs to Svavar Gestsson's most loyal team of supporters and that she must have been elected to the board to serve the important role of a watchdog.

Gestsson: Internal Power Struggle

Reykjavik MORGUNBLADID in Icelandic 24 Jun 86 p 4

[Article: "Svavar Gestsson on the Conflict Within the People's Alliance: Individual Power Struggle the Main Reason"]

[Text] "People Feel That the Party Represents Uncertainty and Inflation," Says Asmundur Stefansson

Six of the People's Alliance leaders have written reports on the position and future of the party in the wake of the election defeat in April which will be discussed at a Central Board meeting in Reykjavik this weekend. The wording of these reports, which have been made public, is in some places quite severe concerning the policy and working methods of the party; the connection with the labor movement; THJODVILJINN and the working methods of individual leaders and parliamentarians of the People's Alliance.

The authors of the reports are: Asmundur Stefansson; Gudrun Helgadóttir; Kristin A. Olafsdóttir; Olafur Ragnar Grímsson; Ragnar Arnalds and Svavar Gestsson. The reports of Olafur Ragnar Grímsson and Svavar Gestsson are the most thorough, 80 and 55 typed pages.

Gestsson says that he has no doubt at all that one of the main reasons for the defeat of the People's Alliance this spring was that the party gave the image of being a disjointed party "where everything is always afire with internal conflicts; where individual leaders debate the party with all kinds of labels about one another and where very little is done in order to promote productive policy debates."

Gestsson criticizes THJODVILJINN brutally and calls to mind that last summer, a majority of the paper's publishing association had challenged him to accept the management of the paper. He said that he did not feel up to it at that time, as the "Gudmundur case" had surfaced and the chairman of the Executive Board [Olafur Ragnar Grímsson and the chairman of the Central Committee [Kristin A. Olafsdóttir] had been publicly against it. Grímsson asks, however, in his report: "When the idea came forth that the party chairman would also be the editor of THJODVILJINN, then what were the people to do who thought that the combined effort would be bad for the party, the paper and, in particular, bad for the chairman himself--should they agree to this against their better conscience or try to solve the mess.?"

Gestsson says that the power struggle of individuals within the People's Alliance is one of the main reasons for the disputes which have taken place within the party about wages and benefits issues; the government of Gunnar Thoroddsen; the party work and THJODVILJINN. "Few words will be used to discuss this part of the story in this text, but one thing is certain, that all party members know what problems this applies to without them being meticulously listed verbally or in prose," says Gestsson.

Asmundur Stefansson says in his report that the People's Alliance lost, as it did not enjoy the confidence of the voters. The party lacked a comprehensive policy, and in individual cases, the policy was too varied for the voters to take a position for it or against it. Also, that the party did not appear as a unit. Controversies were apparent to the voters without the voters being able to realize what the dispute was all about. The party's propaganda was not on target. People consider the party to be a representative of uncertainty and inflation and that appearance had strengthened before the elections by the fact that the party propaganda had given the government the honor of the results of the initiative of the labor movement to get the inflation down. The solution of the problem is a clear policy formation and cooperative leadership in a united party.

The headline of the central committee meeting this weekend is "The Party and the Future." On Friday evening, the reports by the group of six will be introduced and general discussions about them and the work of groups at the meeting will take place on Saturday and Sunday. The plan is that the meeting will end Sunday afternoon.

People's Alliance Stress, Contractions

Reykjavik MORGUNBLADID in Icelandic 25 Jun 87 p 9

[Commentary by 'Staksteinar': "People's Alliance: Stress and Contractions"]

[Text] "The image of the People's Alliance is simply--whether people like it or not-- of a stagnated, boring and undemocratic party, as was maintained in the proverbial mothers' report. The smile has disappeared from the struggle; the spirit to struggle has evaporated. Stress and contractions are our face in the nation's mirror." This is what Gudrun Helgadóttir, parliamentarian for the People's Alliance says in her report to the party's central committee. Today, Staksteinar will discuss the parliamentarians description of the political party she best knows.

Arrogance and Disregard

Gudrun Helgadóttir makes many stops in her report on the People's Alliance at present, in the past and in the future, and she lashes it out, as is her custom. Following is a part of the report that deals with working procedures and working methods within the party:

"People of today demand democratic working methods. And our party is undemocratic to the highest degree. The power is in the hands of a select few who maintain little or no consultation contacts. Discussions about sensitive matters of dispute are quelled, although there are some indications that they are not as successful at that as before. The party chairman is isolated and he keeps unbelievably little contact with his closest associates, so repeatedly there has been dissatisfaction concerning statements contrary to previous decisions. It suffices to mention the policy making of the party congress in 1984 about the formation of a new national power of the leftist parties which the party chairman slighted in a New Year's article in THJODVILJINN a month later, and hinted that the possibility existed to form a government with the Independence Party, but that is an old and a new dream the labor leaders hold. Many people who had attended the meeting were taken by surprise by this."

Helgadottir then discusses the cooperation of the party chairman with the of the party's office staff which is not supposed to be too warm, and then she refers to the cooperation with the parliamentary group. "With respect to the parliamentary group, the cooperation is equally warm. There is little effort made to manage the work of the group, and each and everyone strives to make certain parliamentary issues their own. It is obvious that three former ministers of the parliamentary group consider themselves to be of a different and nobler origin than we the common people. Arrogance and disregard for their colleagues is prominent in the parliamentary group; personal relationships are not nurtured at all and the day to day association between the members is rather unpleasant. No effort is made to utilize each person in a capacity where that person will do well; all work is disorganized and quite often is it a real disaster. A good example of that is when two of the members of the parliamentary group submitted well prepared and thorough proposals about the same matter and neither knew about the other's work. A new parliamentary member was greeted, after being appointed to a working committee on regional and fisheries affairs with two other people, by finding the conclusion on the table when she attended the next meeting without ever having been consulted."

And Helgadottir continues: "The dispute between people which characterizes the work of the parliamentarians does to some extent reflect back to the arrangements of voting districts. Far too often, people keep in mind the interest of the constituency than the welfare of the country as a whole. Truck drivers in Reydarfjordur should not be the decision makers on a diatomite plant, for example. But these disputes do also have other origins. The division of labor within the parliamentary group is amazingly impractical. The same men sit forever on the same committees, and an example of that is the automatic membership of Geir Gunnarsson on the Appropriations Committee. No one doubts his expertise in state financial affairs, but it is also necessary for us the others to get the opportunity to gain hands-on experience also. Obviously, we are all capable of doing that. Nor is it a law that Svavar Gestsson or Ragnar Arnalds must be members of the Economic and Trade Committee, but they obviously think so. And of course, Hjorleifur Guttormsson is a member of the Foreign Relations Committee.

Former ministers are, of course, members of the most important parliamentary committees. This can hardly be considered democratic and a social method of working."

Helgadóttir's conclusion is that the working methods of the party must be completely changed. But is that possible? Her answer is: "In all honesty, I must say that I am not optimistic that this change will become reality under the unchanged leadership of the party. None of what has been said here has not been said to the leader of the party face to face without any signs worth believing."

Gestsson's Misunderstanding

The reports of the People's Alliance leaders reflect, among other things, different perspectives to the role of THJODVILJINN and the media in general. Svavar Gestsson, who has been toying with the idea of becoming the editor of THJODVILJINN again, for example, considers it unavoidable to reevaluate the relations between the People's Alliance and the paper. He writes: "There are two possibilities concerning THJODVILJINN: 1. That the paper will in a more defined way than it has been so far be the party's organ, for example, in the same way the Independence Party relates to MORGUNBLADID. 2. That the paper and the party loosen the connections still further from what they are now." He says that he favors the first option.

Gestsson's comments demonstrate an amazing lack of knowledge. MORGUNBLADID is not the party organ for the Independence Party and does not interpret the party's policy, although it considers itself a representative of independence policy. The MORGUNBLADID is an independent newspaper and an open forum for an exchange of opinions, as the parliamentarians of the People's Alliance should know from their own experience. It is absurd to mention MORGUNBLADID at the same time as the idea of making a newspaper "with a more defined way than it has so far" a party organ. If the chairman of the People's Alliance really believes what he has written, the criticism of him begins to make sense. He is actually out to lunch.

Crossroads, Fighting

Reykjavik MORGUNBLADID in Icelandic 25 Jun 87 pp18-19

[Article by Guðmundur Magnússon: "Cross Roads and Battle Noise"]

[Text] The People's Alliance Central Committee Discusses Reports on Party's Problem and Image

Last evening, the meeting of the People's Alliance central committee began in Reykjavik to discuss reports from six party leaders concerning the party's position in the light of the defeat in the elections last April. The meeting will end on Sunday, but the topic will be resumed at the meeting of the central committee and the national congress this fall. It can be expected that this will be newsworthy. It is most likely that Svavar Gestsson will offer to resign as chairman of the party on the condition that his main opponents within the party, such as Kristín A. Ólafsdóttir, deputy chairman,

and Olafur Ragnar Grimsson, chairman of the Executive Board, withdraw from the positions they now hold. Whether an agreement will be reached on this basis is uncertain. And the reports also bring to light, if people did not know it before, that the proverbial "problem of the People's Alliance" is much more deep rooted than the party finding a suitable solution by just changing the leadership.

The authors of the reports on the position of the People Alliance are Asmundur Stefansson, chairman of ASI [Icelandic Federation of Labor]; Kristin A. Olafsdottir, party deputy chairman; Olafur Ragnar Grimsson, chairman of the Executive Board; Ragnar Arnalds, chairman of the party parliamentary group and Svavar Gestsson, chairman; the most extensive reports are by Grimsson (80 pages) and Gestsson (55 pages). As has come forth here in the paper, these reports discuss outright the issues of dispute within the party, whether they relate to personal relationships between people, working methods or policy issues. The comments are at times so severe and merciless that it is almost unbelievable that this involves parliamentary colleagues or close associates in the party management. It is of no less curiosity that the party's position on the main political issues in the short and the long run are not in the clear. Moreover, there appears to be a serious disagreement about what it should be.

It is not the intention to trace the topic of the reports, but to take a closer look at the ones that are of interest and informative. This refers to the description of the relations between people and working methods within the People's Alliance; the view of the members of the People's Alliance on what the party's image is in the minds of the public; the party's disagreement with the labor movement and THJODVILJINN; position on basic points in policy making and finally, the images the party members have of themselves.

Discussion Quelled

Gudrun Helgadóttir says in her report that the People's Alliance is undemocratic in the highest degree. The power is in the hands of a select few who have very little or no consultation between them. Discussion on sensitive matters of dispute is quelled. There is little effort devoted to managing the work of the parliamentary group, and each and everyone competes in trying to claim certain parliamentary matters as their own. Three former ministers (Svavar Gestsson, Hjorleifur Guttormsson and Ragnar Arnalds) do not try to hide the fact that they consider themselves above other parliamentarians. Arrogance and disregard is prominent within the parliamentary group; personal relationships are not nurtured in any way and day to day relationships between people are rather unpleasant. Helgadóttir cites many examples to support this, and she says that she has discussed this with the leader of the party face to face without any signs of any attention being paid to that.

Gestsson also has unpleasant stories to tell about the relationship between the members of the People's Alliance. He states, among other things, that during the summer of 1986 when the party leadership tried to control the opposition of THJODVILJINN against the party policy toward the labor movement, "the leadership was subject to constant threats from individuals and groups within the party." He quotes Skuli Alexandersson and says that the party had

been the hostage of a group of few people. Gestsson also complains about constant "leaks" from the meetings of the Executive Board and the parliamentary group, as well as the board of the THJODVILJINN publishing association, which he feels aimed at "stabbing other party members." And he says outright about these points: "I have no doubt at all that this was one of the main reasons for the party's defeat in the elections this spring; the party gave the image of being a dissenting party where everything is afire with internal conflicts; where individual leaders debase the party with all kinds of labels about one another and where there is little done to promote productive policy debates."

After descriptions such as this, it is only natural to question the reasons or occasions behind it. Svavar Gestsson's answer is categorical: He feels that the power struggle of individuals is "one of the main reasons" for the disputes that have taken place within the party. "Few words will be used to describe this part of the story in this text, but one thing is certain, that all party members know what problems this applies to...", he says. Without any doubt, the spear is here directed to Olafur Ragnar Grimsson, but his chairmanship of the party's Executive Board receives the following rating: The executive board has become "slow, belabored and of little use."

"Stagnated, Boring, Undemocratic"

In the summer of 1985, the media published a report which a committee of People's Alliance members had written on the position and image of the party. The conclusion was that in the eyes of the public, the People's Alliance was a "stagnated, boring and undemocratic" party. The publication of this report caused quite an uproar within the People's Alliance and the report was disputed at the party's national convention that fall. Svavar Gestsson feels that this report gives an "unfortunate and confusing image" of the party and asks: "Who buys 'goods' which the sellers themselves stamp inedible?" Gudrun Helgadóttir, however, feels that the report is based on facts: "The image of the People's Alliance is simply--whether people like it or not--that it is a stagnated, boring and undemocratic party, as was maintained in the proverbial mothers' report. The smile has disappeared from the struggle; the spirit of fighting has evaporated. Stress and contractions is what is reflected in our face to the nation."

In her report, Kristin A. Ólafsdóttir says: "The image that political opponents paint of the People's Alliance is often that it consists of people who demand central control and management power in the spirit of regimes in East Europe. These people are against all innovations, even technology in general; they fight against marketing, service and businesses, as long as they are in the hands of other than municipalities and state...People's Alliance members are stamped as preachers of pessimism--constantly harping on what goes wrong, and it is often included that the root of that is envy toward those who are more affluent. We are said to behave as keepers of truth and justice and to judge those who hold opposite views as villains or simpletons."

Asmundur Stefansson also worries about the image of the People's Alliance. He thinks that the party simply did not respond to the questions posed by voters about various fundamental points of the party policy, neither in day to day

affairs or long-term policy. "What kind of socialism does the party want? The party has stopped claiming that nationalization is the solution to all social problems. I agree with that position, and I think that it is correct to state outright that we want to utilize the advantages of the mixed economic system." But obviously there is not unity on this within the People's Alliance. Stefansson then lists numerous questions about party policy which must receive credible answers. These are questions such as: "Is the People's Alliance against foreign travel, cars and video recorders? Do we want the quota system in the fisheries? Do we want a university in Akureyri? How do we want to introduce our objectives in regional issues? How do we eliminate people's fear of Iceland without defense? Are high wages the only objective? Is it justice that everybody receives the same salary, or is it justice that some receive higher salaries than others?" He continues: "I have made numerous speeches about most of these issues, but after having listened to some of my party colleagues recently, I have been removed further away from being able to understand whether the People's Alliance has answers to these questions."

The Labor Movement and THJODVILJINN

The People's Alliance dispute about the labor movement and THJODVILJINN does in some way overlap. The dispute is about the policy made by the Iceland Federation of Labor [ASI] (under the leadership of Asmundur Stefansson) in wage and benefits affairs (especially with the February 1986 agreement and what led up to that). THJODVILJINN criticized this policy but the party leadership gave it its blessing. The disputes about control of THJODVILJINN arose in the wake of this, as well as to what extent the paper should follow the party line. This story will not be related here. The dispute about the labor movement also evolves around its connection with the party and how to meet conflicts of interest between associations of wage earners, such as between ASI and BSRB [Federation of State and Municipal Employees].

Gestsson says about THJODVILJINN that two possibilities exist: "1. That the paper will in a more defined way than it has been so far be the party's organ, for example, in the same way the Independence Party relates to MORGUNBLADID. 2. That the paper and the party loosen the connections still further from what they are now." He says that he favors the first option. "For my part, I think it is out of the question to hand over THJODVILJINN to some independent publishing association. That association might just as well find a name for the paper elsewhere. And then it is none of our business." Olafur Ragnar Grimsson is of another opinion: "Changes that have taken place in Icelandic mass media in recent years, show that the time of the narrow-minded party organs is gone if the desire is to publish powerful newspapers. If THJODVILJINN is to continue its historical power within Icelandic society, it must continue on the road of development that began shortly after 1970." And he continues: "The party leaders now also have the choice of publishing their cases in other newspapers as, for example, Hjorleifur Guttormsson has done so eloquently in MORGUNBLADID, TIMINN and DV. They have access to radio stations and television stations, and the access can even become easy if the message arouses curiosity. This is why THJODVILJINN is not the same soul soother as before."

It is appropriate to call attention to the fact that disputes between Gestsson and Grimsson about THJODVILJINN are not about whether the paper should be an independent news media or a political organ. This misunderstanding was quite prominent several months ago and there was much talk about "attack on free journalism." The truth is that the two colleagues are both of the opinion that THJODVILJINN should be a political organ, but the difference of opinion is about what type of organ this should be. Gestsson wants it to follow the party line and help in forming it in cooperation with the party leadership. Grimsson wants the paper to form its own policy and not to be subject to orders from the party but that it support the party policy on all main points.

It is a separate chapter all by itself that Svavar Gestsson mentions MORGUNBLADID at the same time he mentions his idea of making THJODVILJINN "in a more defined way than it has been so far" a party organ. I wonder if he himself believes that MORGUNBLADID is a party organ for the Independence Party and that the paper's editors even consider the idea of taking orders from the party? Gestsson's colleagues who write articles in this paper do not seem to be afflicted with this blindness. The party chairman is definitely out to lunch!

The People's Alliance disputes about the ties with the labor movement have not been discussed. The reports do, however, indicate that the six leaders realize that considerable changes have taken place in the lifestyles of wage earners in recent years and decades, and that old socialist theories about the "workers" need to be revised. Grimsson actually wants to stop talking about the "workers" and talk about "wage earners" instead. Grimsson underscores that support for the wage negotiations of people with higher education is of no less importance than support for the groups that traditionally are considered to belong to the workers. Gestsson admits that the labor movement has an internal problem, ideological and organizational, but he does not say anything about how to react to that. The People's Alliance should, however, be an independent power "which has a much more extensive vision than individual labor unions can in general maintain." The position to wage negotiations should be "yes, but....," that is, agree to what is well done, but at the same time submit demands for improvements and comments to the effect that this is not quite perfect. This presumably means that the party should not condemn wage agreements or be instrumental in breaking them, although that is against the will of many party members. But Gestsson says nothing about how the disputes among and between unions of wage earners should be handled. In fact, Grimsson shares that blame, but it seems, however, that he wants to support the group that is willing to go the furthest each time.

What is the People's Alliance Policy?

One of the most interesting points in the report under discussion are the admissions to the effect that the People's Alliance does not have a policy, or has an extremely vague policy in important issues. The comments of Asmundur Stefansson on this point are mentioned above, but he feels that the party has not formed a harmonious policy on various issues which are being fought in society. It is pointed out in the reports, that the party leaders, including parliamentarians, pursue different views on important policy issues in public

argumentations, such as the quota system and the policy in economic and wage affairs.

Also of interest is the information provided in the reports on the People's Alliance policy making in economic and labor affairs before the last elections. It has been disclosed that a special committee submitted a report on that, containing a thorough analysis and proposals. Ragnar Arnalds says that this report was prepared so late that it could not be utilized in the election campaign. He states further: "The committee had little cooperation with the parliamentary group. Nonetheless, it was clear that there was considerable difference in the emphasis on important issues by the committee and the parliamentary group." He says that at the last moment and as a desperate measure, 60 points of emphasis were put together several weeks before the elections consisting of 200 words "so that the candidates would not enter the election campaign quite empty handed." He adds: "Nonetheless, I do not think that anyone suspected at the 1985 national convention, after the work that already lay ahead, that one and a half years later people would enter the election campaign with such an unimpressive piece of paper as the points of emphasis were. This was a mistake in our party work which is absurd not to mention, and perhaps we could learn something from it."

The mistakes in connection with the election policy in economic and labor affairs are obviously not only of an organizational nature. They give us a mirror image of the core of what can be called the People's Alliance existence crisis. The People's Alliance is a party of the past which originated from the Communist Party and the Socialist Party, and the party has never had the nerve to make a decision about what its political platform is. It is easy to keep the party together when it is in government opposition and the position to the Iceland Defense Force united the party. Since 1971, the People's Alliance has, however, been in the government just as long as the Independence Party and about seven times longer than the Social Democratic Party, as Olafur Ragnar Grimsson points out in his report. Moreover, the party's position to the Iceland Defense Force and NATO has softened considerably. The questions about what the People's Alliance does in fact stand for have therefore become much more prominent in recent years. In 1974, the party adopted an extremely strange policy program in a Marxist vein which now is considered such an anachronism that it is hard to obtain a copy of it!

But the published image of the existence crisis is the People's Alliance timidity in using the concept socialism and explaining what they think it means. This is understandable because in the minds of the public, socialism is a policy of the past, a policy that finally went bankrupt in the Soviet Union and East Europe. Olafur Ragnar Grimsson wants people to identify equally with socialism and democracy and stop referring to themselves as "commies." But what is contained in the socialism of the People's Alliance? There are extremely vague answers to that. Does the party want to increase state interference or reduce it? No answer. And if the party is in favor of business firms continuing to be privately owned and that they will not be nationalized (which is doubtful), what are the party's conditions? No answer. All People's Alliance argumentations lean toward the opinion that business and other private enterprise in industry is reprehensible "profit interest" and that it is not all kosher. Defamatory writings of THJODVILJINN about business

and free trade are well known. It is but natural that people will draw the conclusion that if the People's Alliance comes to power, we will drop back many decades? And isn't the experience of the People's Alliance in the government from 1971 the most revealing?

"We" and "Other People"

One of the strongest myths in the international leftist movement is that the leftist people and socialists are better than other people. Leftist people believe in peace and the beauty of human life, the arts and free creation of the individual, as it is sometimes said.

The "others" are either simpletons who do not know what to do or are in favor of war and merciless competition, where the strong one always emerges as victor; he believes in money and technology but not in humanism and the beauty of life, to mention another cliché. This weird habit of leftist people has not bypassed people, such as the words of Kristin A. Olafsdottir above bear witness of: "We are said to act as the keepers of justice and truth and judge the people who hold opposite opinions from us as villains and simpletons."

The conclusion of Gudrun Helgadóttir's report to the central committee of the People's Alliance are of the nature that they deserve to be reprinted here. She writes after having considered the justification of public self-criticism which could be of great value for the "Staksteinar" commentary in MORGUNBLADID. "The answer is: Because our cause is too correct to be in crisis. Because we deserve better than to suffer within our own party. Because, behind our irritation and disputes lies what none of us can get away from: the belief in better human life; a better world and more justice in society. The author of MORGUNBLADID 'Staksteinar' commentary will never understand such deep feelings, anyway, so that is of no consequence what he might make of what has been said here, or what others will say. His people created their own crisis for the microeconomists, we want to solve it ourselves. Together."

Do people need other proof that the "image" of the People's Alliance is not a fabrication? It is created by themselves. Even Gudrun Helgadóttir, who is the most concerned about the image, does not hide her arrogance and disregard for people who dare have other opinions than she does. And then she complains about the arrogance of others!

Of course, People's Alliance members are no better or worse than other people, and the time has come for them to realize that. It might be too late after the next elections, as it is a realistic possibility, as Olafur Ragnar Grimsson says in his report, that the People's Alliance may continue to lose. In the end, it may very well be that the party will disappear completely. That time is perhaps closer than many people suspect.

Party Crisis Meeting

Reykjavik MORGUNBLADID in Icelandic 30 Jun 87 p 9

[Commentary by 'Staksteinar': "Meeting on Party Crisis"]

[Text] In the Shadow of the Mountain

During the bright spring nights, in good weather and greenery, party chairmen made attempts to form a government and took turns in tackling the assignment. These attempts were the mountain that arose from the lowland of news and mass media in the past weeks. In the shadow of the mountain, the People's Alliance went through its "purgatory." The battle called to mind the proverb: They are fighting like cats and dogs. Staksteinar today will look back to the period when the ministerial socialism prevailed in Iceland.

Meeting on Party Crisis

"Tonight begins an important meeting of the Central Committee of the People's Alliance where the reports by the six leaders on the position of the party and the reasons for the defeat in the April elections will be discussed."

This is how the editorial of THJODVILJINN began last Friday. The People's Alliance recent government participation is not mentioned anywhere but it will be briefly discussed here, among other things, with reference to an open letter from Social Democratic Party Chairman Jon Baldvin Hannibalsson to People's Alliance Chairman Svavar Gestsson.

Now the latter mentioned wants to support the minority government of the aforementioned in light of the fact that most often the one who supports has a stronger position and is more likely to reach his goal than the other who receives the support.

Ministerial Socialism

Socialists talk often and much about an ideal society of socialism and sense of community. And many contemporary societies are based on socialism: in East Europe, Asia and Africa. These societies have in common that the national income per capita for every working person are considerably lower; overall standard of living is worse and personal human rights are more limited than elsewhere in the world.

Icelanders have also been subjected to the regime of the People's Alliance: 1956-58; 1971-74 and 1978-1983. It is exactly to this period of ministerial socialism, which was presented to the nation at the time, that many people trace the crisis support for the People's Alliance, although constant and violent internal conflicts also enter the picture.

Landmarks

Jon Baldvin Hannibalsson wrote an open letter to Svavar Gestsson in August 1982 when the ministerial socialism was at its peak and distributed returns from the government offices of Iceland. In his letter he asked whether the ideal society with a sense of community which was being promised, was based on the present facts in the society:

- 1) Monetary changes, that is to devalue 100 old kronas to 1 new krona which would decrease in value at the same rate as the old one.
- 2) Lasting devaluation.
- 3) European inflation record.
- 4) Foreign debt costing close to one-third of export income.
- 5) Standard of living one-third lower than that of the neighboring countries, despite one-third longer working hours.
- 6) Intolerable difference in pension rights.
- 7) Obsolete index base and repeated cutbacks in price compensation on wages.
- 8) Impossibility of well-run businesses to grow and prosper or yield returns.
- 9) Make it impossible for thrifty people to save.
- 10) Standard of living for the coming years is mortgaged to foreign lenders.
- 11) "A government with participation of socialists allows more and more new bureaucracy offices to be opened on behalf of the government, and the number of public servants increases four times faster than the nation; and the plan is for the production industries to carry this load during a period of crisis and recession."

People's Alliance Soul Searching

Reykjavik MORGUNBLADID in Icelandic 30 Jun 87 p 32

[Article: "People's Alliance Central Committee: Searching for Party Definition and Clearer Policy"]

[Text] "But No Distinct Conclusion Reached," Say Central Committee Members

At a meeting of the People's Alliance Central Committee which was held in Reykjavik last weekend, discussions were held about the reports of the six party leaders; the reports have been called the "Varmaland Reports." After a two day meeting, it was decided to refer the debate back to a nine member committee which was appointed at Varmaland recently. The Central Committee will again hold a meeting at the end of September in preparation of a national party convention. In conversations with this reporter yesterday, the central committee members said that a necessary scrutiny of the party had taken place at the meeting, although the meeting did not submit a definite conclusion. The members felt that a candid debate had taken place and rejected comments about conflicts between individual members or factions.

The Party Lacks Clear Policy

"It was never the intention to arrive at a definite conclusion at this meeting. We all realize that such debates take a long time. Democracy is time consuming. I am extremely pleased; the meeting showed the party's democratic strength and its will to renovate. Other parties could learn from that," said Olafur Ragnar Grimsson, chairman of the Central Committee.

Grimsson described the meeting by saying that the issues the party had to tackle in the immediate future had been defined. After the authors of the "Varmaland Reports" had introduced their reports, the views presented in the reports were discussed in detail. The conclusion was that the party lacks a clear policy on certain issues. Also, certain political main lines are not drawn clearly enough.

"I have been of the opinion that the party's topical factors and self-definition should be reviewed. This meeting proves that the People's Alliance is prepared to tackle its problems as a mature political power. That is the prerequisite for the party to be able to renovate," said Grimsson.

He said that it was of little consequence whether the leadership would be changed or not if the issues were not settled first. In conclusion, Grimsson said that it was too early to comment on whether he would be a candidate for the chairmanship in the People's Alliance at the national congress this coming fall. "The People's Alliance is a mass movement of more than 3,000 members nationwide; not a party of isolated party leadership in Reykjavik. It is up to the people to participate in solving the problems."

Merciless But Necessary Assessment

Gudrun Helgadóttir, member of parliament, submitted a proposal at the Central Committee Meeting that the People's Alliance would be in a minority government with the Progressive Party and the Social Democratic Party for 1 year on the condition that her party would agree to the government's first economic measures. "I feel that it would be good for the parliament to live with a minority government for a short while. That would discipline the working methods of the parliamentarians and give them greater responsibility. It is about time that people begin to understand the connection between the government crisis and the election results this spring," said Helgadóttir.

She said that this view of hers had following within the party; that a four-party government would achieve very little. The People's Alliance would have no influence in such a government.

"An extremely necessary debate about a main issue took place at the Central Committee meeting as behoves a socialistic labor party. This was a merciless assessment but our party needed that. We had to face the changes that have taken place in the class composition of the society; the relations between the labor movement and the party, or the party and its organ. People were ready to admit that we lack a clearer policy in important issues, let it suffice to mention agricultural issues; fisheries; banking affairs; interest rate affairs and others. The policy must be better defined," said Helgadóttir.

She said that during the debate about the connection between the party and the labor movement, much support was given to the view that the party would pursue an independent policy in wage negotiations affairs. It is not unnatural that the party's demands sometimes collided with the short steps which the labor movement leadership is often forced to take in order to reach agreements.

"I have said it before that there must be conflicts of interest if members of parliament are also in the leadership of labor movements. The direct connection of one person with the parliamentary group who many people feel necessary is an anachronism. But the fundamental point is, of course, that the connections with the labor movement are not based on individual persons, but the relationship with the wage earners themselves," said Helgadóttir.

This Overview of the Past is Now Finished

People's Alliance Chairman Svavar Gestsson said that the meeting had been considerably more successful than he had reason to believe. Matters of dispute had turned out to be less than they seemed after reading the reports of the group of six. "Debates about these reports have now taken place as planned. In light of that, I consider that this overview of the past and the debate on the reasons for the loss of support this spring are finished and that the time has come to submit the new plan. Moreover, we have already wasted enough time on debates of this kind."

Gestsson said that it is interesting to compare the working methods of the People's Alliance members to a comparable debate in the Independence Party. "We have all intentions of having overt discussions of these matters but it seems to me that the Independence Party is going to sit on its report," said Gestsson.

In light of the events that took place during the talks on government formation this weekend, Gestsson said that the People's Alliance was prepared to participate in a discussion about forming a new government anytime.

"I think that we are in many ways better prepared than other parties to participate in a factual debate about this possibility. The party has submitted a very detailed proposal about measures in fiscal affairs, more detailed than any other party. Therefore, I see no problem for us to enter into discussions with other parties."

9583

CSO: 3626/3

NONSOCIALIST PARTIES DEFEATED IN ATTEMPT AGAINST BRUNDTLAND

Labor Party Emerges Strengthened

Olso AFTENPOSTEN in Norwegian 13 Jun 87 p 3

[Article by Av Lars Hellberg: "Non-Socialists' Partnership in Ruins"]

[Text] An epoch has ended. The Center Party has taken sides. The broad non-Socialist partnership is in ruins. This was the reaction among the Conservatives and deep into the ranks of the Christian Democratic Party when it became clear yesterday that the Center Party refused to cooperate in forming a new government on the basis of the program they drew up in the recommendation for the revised national budget.

For the Conservatives, the conclusion is crystal clear. To AFTENPOSTEN the top party echelon simply refers to what party chairman Rolf Presthus said at the conclusion of the party's national meeting in Trosno: "If, contrary to all expectations, things should not work out, one would have to state that only a still stronger Conservative party can guarantee the effectiveness for another and better policy than the one the Labor Party is conducting in their government role.

The process which was underway gave cause for optimism. It also ended in a political platform on which the Conservatives, the Christian Democratic Party, and the Center Party could agree. But that is where the matter ended. The Center Party insisted on ousting the government on the agriculture settlement.

When this did not succeed John H. Jacobsen refused to participate in a change in government on the joint basis which was expressed in the recommendation for the revised national budget. "We can only take note of this," key people in the Conservative and Christian Democratic Party tell AFTENPOSTEN. They do not attach crucial significance to this spring's political settlement seen in isolation. They are more concerned with the long-term outlook, and trace it back to Jon Lyng's pioneering work in the fifties and sixties.

Alternative

The change in government in 1963 and the assumption of power in 1965 was a consequence of the realization by the then four non-Socialist parties that a non-Socialist partnership should be the basis for a workable government alternative. Yesterday, it was only possible to state that the Center Party felt that it was not right to force a change in government on the basis of the program which they themselves helped formulate.

"The conclusion is clear. There is only one alternative, a larger and stronger Conservative Party, possibly in partnership with the Christian Democratic Party," leading Conservative politicians tell AFTENPOSTEN. Likewise, it is clear that the Conservatives must look more closely at the compromises that emerged during the government negotiations. This happened under the assumption that they would assume the government and would have the opportunity to draw the practical conclusions from the basic unity.

Tax Policy

For the Conservatives, this assumption applies particularly to the area of tax policy. In reality, tax reform is only a tax outline which a government can use or misuse to obtain its political goals. The same is true of a large number of other areas.

The Only Way

At this parting point, Rolf Presthus emphasized that the Conservatives chose the only way which appeared to be practicable for a change in government. The Center Party was unyielding on this point, with the consequence that the Progress Party upset the plan. For that matter, all three parties expected that Carl I. Hagen could do anything. Still, it was expected that he would take a somewhat different course from the one he chose.

Hagen and the Labor Party

In reality, Hagen's statement to everybody on Thursday evening means that the Progress Party thinks the country not only can be, but should be governed by the Labor Party.

This is a puzzling conclusion from a party which likes to market itself as the most non-Socialist one imaginable. A few days ago, Hagen pointed out that the new tax outline, in the hands of the right/wrong politicians, was a system for constant tax increases. Now, he himself placed the system in the hands of the politicians and the government which he himself characterized that way, and against which he warned. Thus, for all practical purposes a vote for the Progress Party is a vote for the Labor Party's tax policy.

Neither the Conservatives nor the Christian Democratic Party mince any words when it comes to characterizing Hagen's conduct and that of the Progress Party. However, they are cautious when it comes to the Center Party's role in this final settlement.

Subdued

"Jakobsen's negative vote confirms that there is no longer a broad non-Socialist alternative. But this is no reason to make bad things worse by saying this out loud. The voters will discover who is responsible without us having to tell them," a leading Conservative politician says. "We can no longer count on the Center Party," says one of the Christian Democratic Party's top people. Officially they just emphasize that "we (in contrast to the Center Party) wanted a change in government on a broader basis than on a single issue."

The disappointment, not to say exasperation with the fact that the Center Party consistently refused to draw the necessary conclusions from the new situation which emerged when Hagen upset the game plan is clearly expressed in private conversations.

When the Storting ended this year's spring session last night, it was clear that the Labor Party can safely govern in the sure knowledge that there is no non-Socialist alternative. Among those elected by popular vote opinions differ as to what the consequences will be for this fall's municipal elections and later in the Storting elections two years from now.

Stronger Labor Party

However, it is certain that the Labor Party has strengthened its position. As is being said, that government happened to lose an election, but it has always happened because there has been a credible alternative to the leadership in power. Today this situation has become memory to quote one of those who committed themselves most to the effort to reestablish the non-Socialist partnership after the first collapse last fall.

Political Scientist's Assessment

Oslo AFTENPOSTEN in Norwegian 13 Jun 87 p 3

[Article by Hans Chr. Erlandsen: "The Melody which Got Lost..."]

[Text] "This is the melody which got lost," professor Jens A. Christophersen stated laconically when he was asked to comment on the political events of the last few days. "The differences between the Conservatives and the Center Party regarding agriculture are among the most severe we had in Norwegian politics," he points out and was supported by research leader Bernt Hagtvet of the Chr. Michelsen Institute.

"In Norwegian political science we discussed whether we are moving towards a two party system in Norway, with the Conservatives and the Labor Party as the two opposites. But now the classical farmer dimension has raised its head again. These dividing lines evidently go so deep in Norwegian politics that they can also explain why it is so difficult to form a non-Socialist partnership," says Hagtvet, who a few years ago participated in the preparation of a book on the Conservative upswing.

Christophersen points to the dispute in the late twenties regarding the value of the kroner. At that time, the Conservatives and the Center Party were in sharp opposition, while the Labor Party mediated.

Crisis Compromise

"This led to the crisis compromise in 1935 when the Labor Party and Johan Nygaardsvold came to power with the help of the Center Party (Farmers' Party). But the support which secured Nygaardsvold's government was provided by the Left when it came to domestic policy, and by the Conservatives and Carl J. Hambro when it came to foreign policy," the professor says and points to what he calls the fine threads which go through Norwegian political history.

"The break has made a non-Socialist unity even more difficult than before," Hagtvet believes. He points to a development which was discussed in the book on the Conservative upswing: As the Conservatives developed into a people's party, the party had to moderate its anti-government attitude. This made room for the Progress Party and resulted in the Conservatives losing their monopoly on scepticism towards the public sector.

As to the question whether there are some previous parallels to what happened in the past few days, Christophersen points to the so-called Crotale-matter in the spring of 1973. At that time, the Socialist Left Party became divided and the Labor Party government was saved. It was primarily Fin Gustavsen who did not want to topple the government.

Impressed

"He had toppled a Labor Party government before and knew what that meant," Christophersen points out, and he is impressed by Carl I. Hagen: "He is the one who mobilized the national attitude of responsibility. The opinion polls regarding opposition to a change which were published can very well be explained by the fact that the man in the street would rather see that governments can work in peace and quiet. They just should not be in power for too long. People do not want a government that stays in power forever, but we had not reached the point that people thought a change would be a good thing."

AFTENPOSTEN

"What happened has perhaps revealed a new pattern in the press where the Norwegian press has shown an active stand," Bernt Hagtvet maintains and continues:

"AFTENPOSTEN has followed a line which to my knowledge not even the Labor Party press has taken, even when editor Olav Brunvand defended the government in the Kings Bay matter. Rolf Presthus was pushed ahead by the enormous pressure from AFTENPOSTEN editorials. They create a feverish atmosphere and restricted his room for action."

Hagtvet joined and expanded on a comment by Einar Forde, the Labor Party's parliamentary leader, after Hagens negative vote, to the effect that one had witnessed an open fight about the essence of politics, that is the fight for power and influence.

"The conflict is a sign of health. It has been fought in the open, with open means and in a civilized atmosphere. This is clear to researchers like myself, who work with human rights questions abroad everyday," the research head at Chr. Michelsen Institute says.

Enthusiasm

Professor Jens A. Christophersen is concerned with the long-term trend in Norway that the parties become increasingly similar in their policy.

"The fact that the differences are not greater than they are will become a problem in the long run," he says. "Politics means to choose.

How should one instill the necessary enthusiasm for the different parties, how should one induce people to offer their free time for political work," he asks. In his opinion, the consequence will be a development corresponding to the one that was observed in the United States, that is politics is concentrated around individuals.

Conservatives Must Act Alone

Oslo AFTENPOSTEN in Norwegian 15 Jun 87 p 2

[Editorial: "The Road Ahead"]

[Text] After the events in the Storting on Friday Presthus and Syse can concentrate on how they will lead the Conservatives. Not on how they will look for the Center Party.

What crashed with so much noise? After the non-Socialist partnership was shipwrecked (or better: was run aground) another question should be asked: How loudly did it crash?

The bang seems to be deafening, and the damage cannot be explained away. The Center Party has outmaneuvered itself both in practical and basic terms, nobody can count on it. Now as last fall, in the crucial moment the Progress Party voted against a non-Socialist government.

Still, the long road up to the dramatic climax Friday evening has not been walked in vain. The process has provided a clarification which would not have occurred if one simply would have let matters drift. As late as in the winter there were people who maintained that if the Conservatives could only stretch far enough the center parties would agree to the formation of a new government. Today, there is nobody who can say anything like that, and all who did so have forgotten what they said. The Conservatives stretched as far as possible, and even more. Still, the Center Party said no. And the party's conditions for agreeing were so specialized, that the Progress Party also said no.

As late as in winter it might have looked as if the Christian Democratic Party was also opposed to a new government. The negotiation process made the participants state where they actually stood. And at that time the Christian Democratic Party chose to go together with the Conservatives. Not with the Center Party.

What now? It might be worth remembering that the change in the political climate in the seventies (which provided the basis for the Willoch government) occurred primarily as a consequence of the Conservatives' progress. This progress was again related to a clearly formulated policy: a vision of greater personal participation, a society where government had less power and the individual more. During these years, the Conservatives developed a coherent alternative to the policy of regulation, the policy of inflation, to excessive supervision. It was moderate, but at the same time characterized by basic clarity, great consistency, and strong commitment.

Now, this is the road we must continue on. The Conservatives have demonstrated that the party tried absolutely everything that could have given the country a new government. Still, it did not lead anywhere. And then one has to rely on doing the work oneself, if necessary.

Unthinkable? No, only difficult. In today's society, perhaps one out of three voters is searching. It is much less unlikely that a Conservative Party which is able to show the way and instill enthusiasm will go from 30 to 40 percent than a Conservative increase from 20 to 30 seemed possible a few years ago. Presthus and Syse can now concentrate on how they will lead the Conservatives. Not how they will look for the Center Party.

Presthus: Stronger Conservative Profile

Also AFTENPOSTEN 15 Jun 87 p 3

[Article by Eivind G. Karlsen: "Concentrate Completely on Conservatives"]

[Text] He stumbled when the Progress Party and the Center Party tripped him up politically. But Conservative Party chairman Rolf Presthus from Oppegard is quickly on his feet again. The prime minister candidacy is discarded--and as early as Saturday he stood out as the forceful leader of the country's second largest party, ready to concentrate entirely on the Conservatives.

"Now we will concentrate our efforts on forming a basis for a more Conservative policy through a stronger Conservative party," Presthus pointed out. The first test of strength will be the municipal and county council elections in the fall.

The voters will undoubtedly give their opinion on the two supposedly non-Socialist parties which belonged to the Conservative majority in the Storting, but still chose continued Labor Party leadership. Extremely serious for those who played so high and lost, extremely worrisome for our democracy that the opposition does not function.

Unity Smashed to Pieces

As the change in government failed to materialize the non-Socialist unity broke apart. Rolf Presthus cannot be blamed for any of this. He stood until the very end for what he considered absolutely necessary: a change in the political course under a non-Socialist leadership. Steep price increases and poor competitiveness should have been sufficiently clear warning signs for others as well.

The Conservative chairman who swept his national party meeting in Tromsø in Mai stood firm as a rock after the parliamentary turbulence. But his extremely undeserved fate became presumably 'the prime minister we did not get'.

This has nothing to do with Presthus' qualification, but with the lack of political will for power among some others. The very experienced politician was naturally aware of the fact that things could turn out that way. As a Storting representative from Akershus continuously since 1969 Rolf Presthus has lived through most of it (he knows the Storting atmosphere since his first meeting as deputy in 1962--25 years and until then the youngest since 1814!): The change in government and the EC-dispute, election defeat and election victory--and a Conservative upswing which does not at all seem to end under his party chairmanship.

Popular Cabinet Minister

When the Willoch government was ousted in May of last year (also at that time with the Progress Party as the main actor) Presthus made a short guest appearance as defense minister. He is of course better remembered as finance minister in the previous four and a half years. He handled this task in an excellent manner. He documented that he has abilities like very few others in our political arena, particularly as a coalition politician, as actually capable of reconciling different concerns and interests without causing bad feelings between the parties involved. In the new job he was able to make good use of his unusual capacity for work, analytical abilities, sense of coordination--and relaxing humor amidst all the seriousness.

In practically terms, Presthus managed to become outright popular as head of the Kleppe-department. He came from it with annual tax relief and practically speaking without scratches on his varnish, as the saying goes. The political uproar was the automobile tax matter in the election year of 1983.

Marching Orders

He also was very well equipped to take over the leadership of the government chambers. He got his marching order for it from his own people a year ago--and it is noteworthy that Presthus' leadership role was actually never disputed by the two other previous government parties.

During the march he was naturally supported by almost everybody in the Conservative Party, particularly by parliamentary leader Jan P. Syse, a loyal, forceful fellow player the whole way. Individual other prominent party characters allowed themselves to be tempted to throw sticks in Presthus' way and the government efforts he had started to pursue.

Conservatives' Weight

It might be worth analyzing their motives further. Can Presthus himself be blamed for the way things went on this course. Rational political observers can only answer no. Still: maybe he should have driven earlier and faster as leader of the undoubtedly largest of the government pretenders. The Conservatives as a non-Socialist people's party has the weight to do it--it is twice as large as the 'fellow players'.

But neither Rolf Presthus nor his party could defend themselves against other political stubbornness and untrustworthiness. Thus, the Conservatives remain practically alone as an alternative to the Labor Party.

Labor, Center Party Cooperation

Oslo AFTENPOSTEN in Norwegian 15 Jun 87 p 3

[Unattributed article: "Government Sets Hopes on Center Party"]

[Text] Prime Minister Gro Harlem Brundtland hopes to get the Center Party as a support party in the Storting. She expressed this hope in a longer interview with NTB [Norwegian Wire Service] after the Storting's final round. But Center Party leader Johan J. Jakobsen makes it clear to AFTENPOSTEN that she cannot count on the Center Party in this role.

"It will be most exciting in the future to see how the Center Party will act. The party is closer to us than the Christian Democratic Party," Gro Harlem Brundtland says in the NTB interview.

As to the question of the possibilities for budget support in the fall she points out that the parties in the political center, particularly the Center Party are closest to the Labor Party with regard to economic policy. This will be interesting to see in the fall.

"Unnecessary Waste"

She also expresses the opinion that the government negotiations have been an unnecessary waste of time and effort.

In a comment to AFTENPOSTEN Jacobsen says that he does not regard the negotiations as futile. During this process the three parties have come a long way in clarifying a political basis. "We are more ready now than before if a situation should emerge in the Storting. What we clarified has a content with a good central profile."

Jacobsen is surprised over the Conservative leaders' claim that there is no desire for a change in government. This is being said less than 24 hours after they stood together in a no confidence proposal on an important matter.

"The desire is expressed in this joint proposal. I do not accept that the desire for cooperation and the ambition to govern is judged one-sidedly from our attitude towards the type of general proposal which was voted on Friday evening," he said.

Unchanged Attitude

"The Center Party has not changed its attitude," the party chairman continues. "Our non-Socialist anchor is indisputable. We will continue to use the key position the voters have placed us in to further a center policy. What happened on Friday evening was a confirmation of our political placing, our willingness to cooperate and our willingness to assume government responsibility when the change occurs in connection with a matter where the government's way of handling it deserves criticism or they demand a vote of confidence. We did not consider it natural to encourage a no confidence proposal in connection with a matter which was only a semi-annual revision of the national budget and where the three parties did not indicate any radical change in course.

The Center Party's Position

"The prime minister is curious about the Center Party's position?"

"I only want to tell her that the high degree of readiness of the three parties means strong pressure on the government to conduct a policy which has the support of the Storting majority. There is no basis for the prime minister's speculations about the Center Party as a type of support party, if that is what she has in mind. In my opinion, the prerequisites for conducting a strong opposition policy are better than before. And therefore I must draw a completely different conclusion from what happened Friday evening than the prime minister," Johan H. Jakobsen said.

Praise for the Progress Party

In her NTB interview prime minister Gro Harlem Brundtland also praised the Progress Party's chairman.

"I have of course no bad conscience at all because it was he who saved the government. The man has shown a distinguished and consistent line in favor of his own policy. He was honest and upright, gave realistic reasons for the viewpoints he put forward in contrast to the three other non-Socialist

parties." But she specifies that her praise does not indicate a merging of the Labor Party and Progress Party policy.

The prime minister is a little concerned that all the commotion surrounding a possible change in government could have distracted people's attention from the country's economic problems. But it could nevertheless have had a positive effect--that is that people got a clear understanding of the connection between the economic policy and the income policy.

In a statement, the central committee of the Young Conservatives strongly criticized the Center Party and singled out the party as the Labor Party's most important supportive player in the Storting. But the Progress Party was also burnt: Hagen's assurances that his party prefers a non-Socialist government to a Labor Party government has proved to be worthless," the Young Conservatives say.

Center Party Demise Predicted

Oslo AFTENPOSTEN in Norwegian 16 Jun 87 p 5

[Unattributed article: "Per-Kristian Foss: The Conservative Alternative to the Labor Party"]

Text] "Now, the Conservative Party must take stock of itself so that it can emerge as the complete alternative to the Labor Party," Storting representative Per-Kristian Foss pointed out at a meeting of the Oslo Conservatives yesterday. "By its conduct in the Storting the Center Party has left the non-Socialist coalition for a long time to come," he said among other things.

Foss called it an illusion to believe that the role of a support party for a Labor Party government in a minority position will provide influence, as the Center Party seems to believe. "As long as the Center Party is controlled by the veto right for the party's left wing, it is doomed to a lack of profile which will end in the vacillating course which excluded the Left," Foss maintained.

He reproached the party for having participated in the non-Socialist partnership negotiations for six months and then finally expressing its satisfaction with the result without being willing to take the consequences.

"The Center Party's refusal to govern undermines any confidence in the party's alleged non-Socialist association. It is quite alright to express scepticism in the so-called block policy, but the party which refuses to participate in formation of the government has also excluded itself in a way which takes away the party's political influence in the long run.

Support Party

"In the future, the Conservatives must simply realize that the Center Party chose the role of a support party for the Labor Party government. In such a

situation it is only reasonable to establish a non-Socialist platform in relations with the Christian Democratic Party. In the short run, such a platform can still not provide the basis for a government. Therefore, in the future attention will not be focussed on a non-Socialist coalition," Foss said.

He drew the conclusion that the Conservative Party alone as the largest non-Socialist Party must take stock to provide the complete alternative to the policy of the Labor party government.

Alternative

The Conservatives are also the non-Socialist party which most clearly defined a complete alternative to the Socialist policy. Today, the expression 'center parties' is a myth in many respects. The large majority of voters who are leaving the Labor Party today consider the Conservatives as an alternative--not the parties in the so-called political center," he said.

Conservative, Christian Party Partnership

Oslo AFTENPOSTEN in Norwegian 17 Jun 87 p 3

Article by Kjell Hanssen: "Commentary on Current Affairs: Cooperation After Center Party Left"]

[Text] The three musceteers were actually four, until the Left disappeared. Now the Center Party has resigned, and there are only two left. How strong are the two remaining ones, the Conservatives and the Christian Democratic Party? Do they constitute a government alternative? Will they stick together? And can they govern the ungovernable Progress Party?

Nevertheless, one should first ask a completely different question: How permanent is the Center Party's break with its previous partners? Is it conceivable that the party will feel the chill and wish to come in from it?

Once is Enough

This is conceivable. But next time the others will not only inquire about their willingness but also about their policy. This time, the Conservatives gave everything to get the Center Party to go along, and still they did not succeed. Next time, if there will be a next time, it will be the Center Party which must make concessions.

Today, one has to search long among the Conservatives for those who think there will be a next time. Or who want a next time.

In the Storting group the Center Party was crossed out, as was the case with the Left long ago.

Last Election

But this created not only one new situation. There are many new situations. The Center Party can enter into some form of permanent agreement with the Labor Party. They can stick to themselves even more so than before. They can try to turn back to the non-Socialist fold.

And there is another possibility that looms in the Storting elections in two years: They can be wiped out.

If the Center Party now aligns itself formally with the Labor Party they (together with the Socialist Left) will have a dominating majority in the Storting: 89 seats versus 68 for the Conservative side. Expressed in election figures of 1985 this would be 52.8 percent versus 42.4.

If the Center Party retains its current size and if the party takes a permanent place on the Left, there will also be talk about a permanent change in the balance of power in Norwegian politics. But these are two very large ifs.

First the size of the Center Party: The party is very vulnerable. Even with a moderate setback across the country (e.g. down from 6.6 to 5 percent) 8 of the party's 12 votes will be removed. Only Sogn and Fjordane, North Trondelag (J.J. Jakobsen, but not Reidar Due) and Oppland (the seat, not Lars Velsand) can be considered to be completely safe.

If the downfall becomes evident as early as in the beginning of the election year 1989 the party must consider what can be done to prevent a catastrophe. One measure would be to remove candidates with Socialist inclinations such as Ragnhild Queseth Haarstad in Hedmark, or neighbor Velsand. But at that time, the change may be too late.

Departure

A big question is what the Center Party voters will do when the party is leaving them. Opinion polls indicate that approximately 40 percent of them have the Conservatives as a second choice, approximately 30 percent will go to the Christian Democratic Party. The total power relationship between the Conservatives and the Left will therefore not be noticeably changed even if the Center Party should collapse.

After the Storting election in 1985 the Conservatives plus the Christian Democratic Party had 38.7 percent of the voters behind them. With the Progress Party in addition (a dubious claim) it will be 42.4 percent. On the other side, the Labor Party and the Socialist Left have therefore 46.2 percent. A non-Socialist majority at the next crossroads is a great challenge, but not impossible.

But this requires that the Progress Party cooperates in the formation of a new non-Socialist government and lends its support also through the gray workdays, when reality requires that one temporarily gives up the ideal demand.

Who, What, How

This is an extremely uncertain assumption. But this is a problem not only for the others, but also for Hagen. In the 1989 election his urban voters may have forgotten that he saved them from the farmers. But they will remember that he gave them a Labor Party government. And kept it in power.

A non-Socialist government after 1989 requires also that the Christian Democratic Party will really stick to the Conservatives and does not consider itself to be tied to the Center Party any more. This is also uncertain. But Bondevik and his party want influence through government. And today there is no future in being together with the Center Party.

Prime Minister's Power Increased

Olso AFTENPOSTEN in Norwegian 18 Jun 87 p 5

[Article by Fin Langeland: "Strengthened Labor Party Created a Majority for a New Course"]

[Text] The Labor Party is strengthened and managed to form a majority for a new course. This is prime minister Gro Harlem Brundtland's evaluation of a "politically and economically very demanding year".

At yesterday's national executive committee meeting of the Norwegian Chemical Industrial Workers Association, the prime minister summarized what she felt the party had achieved this way:

"We managed to form a majority for a new course. We are on the way out of the economic problems. We stopped the Conservative turn in society. We formed the basis for new reforms in a wide area."

The prime minister emphasized that the Labor Party--after one year in power--has had a considerable impact with regard to its policy and setting of priorities. Far more than the party would have been able to achieve in the opposition.

Gro Harlem Brundtland called tax reform most important for this year. She pointed out that it will "give us a more just and more effective tax system". The government wants to follow up with concrete proposals for a tax level in the national budget for 1988.

Tactics

"The bad man game" was the prime minister's characterization of last week's fight for government power. "For the non-Socialist parties, the tactics were more important than the policy", Gro Harlem Brundtland thought.

"Those who lost most of all are Norwegian agriculture, the communities, and those with home mortgages--who must bear the cost of the game on the non-Socialist side," she claimed.

Still, the prime minister did not dare to concur unconditionally with AFTENPOSTEN's conclusions of Saturday: "Non-Socialist Coalition in Ruins". Before the national executive committee meeting in Chemistry she made a reservation by adding a question mark to the newspaper's conclusion regarding the situation on the non-Socialist side.

Conservatives

The prime minister directed her strongest criticism against the Conservatives who, as she claims, are most preoccupied with placing the responsibility with others.

"They are trying to make the Labor Party responsible for everything that went wrong in the Norwegian economy when the Conservatives were in power for five years. And the Center Party is supposed to be responsible for everything that went wrong when the Conservatives were in the opposition. Otherwise, it is difficult to interpret what we experienced in the Storting on Friday," the prime minister claimed.

She called the government's situation as unchanged. It continues to be in the minority, it will continue to concentrate on finding solutions and a real majority in the Storting through cooperation on a subject-by-subject basis. "The government does not want to rely on threats or pressure," Gro Harlem Brundtland assured her audience.

Christian Party Seen Capitalizing

Oslo AFTENPOSTEN in Norwegian 16 Jun 87 p 5

[Article by Morten Malmo: "Researcher Hilmar Rommetvedt on the Non-Socialist Breakdown: The Christian Democratic Party can Capture Center Party Voters"]

[Text] "It is possible that the Christian Democratic Party can now capture some of the most pronounced non-Socialists who currently belong to the Center Party. A third of the Center Party voters have the Christian Democratic Party as their 'second choice'," researcher Hilmar Rommetvedt with Rogaland Research tells AFTENPOSTEN. He feels, however, that some time will pass before possible consequences of the dramatic final spurt in the Storting will be reflected in opinion polls.

Rommetvedt who is working on a research project on party coalitions, followed the tug of war for government power from the 'ringside' in the Storting. He says that generally it is now impossible to see whether the events will mean a final non-Socialist breakdown. He reminds us of the fact that it took four to five years to repair the damaging effects when the Borten government went in 1971. "But the EC-matter was a special case indeed," Rommetvedt adds.

He warns against placing too much significance on the opinion polls which will come before vacation time, if one searches for changes which follow from the non-Socialist parties' unsuccessful attempt to take over the government. Most of these polls are being conducted before the final clarification took place.

No polls are taken in July. "The August polls which come right before the election, on the other hand, are very interesting," Rommetvedt believes.

"However, there is reason to believe that the Labor Party will gain from what has happened. In the short run, the Progress Party will get a small increase, but the other non-Socialist parties must expect a loss," says Rommetvedt.

What About the Center Party?

In the night to Saturday the Center Party and the Christian Democratic Party parted company in the Storting. The Christian Democratic Party voted with the Conservatives and the Progress Party for a no confidence vote in the government over the budget. The Center Party did not do so.

"Right now it looks as if the Center Party is the big loser, also because they did not succeed making a crisis out of the agriculture settlement, as the party wanted. Nor did farmers get anything extra. Many will ask about the the Center Party's place on the non-Socialist side.

"It can also happen that we will now see a mobilization of the Center Party's core troupes, and that those who are particularly concerned with agricultural policy and districts will rally around the Center Party. This can also be a problem for the Center Party, that is that the party will now be viewed as a 'farmers' party'. It is worth noticing that at its national meeting last year the party was very concerned with the question of how to attract new voters to the party.

Fight For Voters

"Will the Christian Democratic Party now 'steal' voters from the Center Party?"

"Yes, it is possible that some of the most pronounced non-Socialists in the Center Party could switch over to the Christian Democratic Party. A third of the Center Party voters have the Christian Democratic Party as their 'second choice'.

It might also look as if there is a fight going on for the voters in the political center, even though this 'center' has gradually become an ambiguous term.

It is unlikely that the split between the Christian Democratic Party and the Center Party is due only to the fact that the two parties have dissimilar opinions on the strategy. This was also based on political realities," researcher Hilmar Rommetvedt believes.

12831

CSO: 3639/74

NATO FORWARD SEALANES STRATEGY IN NORTH SEA REVIEWED

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 19 Jun 87 p14

[Article by Siegfried Thielbeer: "As Far Forward as Possible in the North Sea/Close Cooperation in the West Protects Vital Sealanes"]

[Text] Northwood, June--In the eyes of the British Naval Commander, the U.S. naval forward strategy is "nothing new." Even if the operational details of western nuclear-powered submarine deployment are not discussed, it is still known that western submarines attempt to track Soviet submarines, which are equipped with strategic nuclear missiles. Not only U.S. attack submarines, but also British submarines pass close to Soviet bases like Murmansk in the Barents Sea, the "backyard" of the Soviet navy. The U.S. calculates that this forces the Soviet Union to deploy a large portion of its own fleet, particularly its most modern submarines, to protect the strategic subs. Consequently, the threat to the western sealanes in the Atlantic is reduced.

The British fleet commander, Sir Nicholas Hunt, who is also NATO's Commander in Chief East Atlantic and commander in chief of the English Channel, says: "We must frequently penetrate the Barents Sea, just to become familiar with the region." His staff officers elaborate that their own submarines would have to operate "far forward, even under the Arctic ice", and do so in times of peace as well. The mission of the "Striking Fleet Atlantic," which is composed of three to four U.S. aircraft carriers with their escort ships, is described as "offensive," and in case of emergency its fighter-bombers would have to combat the Soviet surface ships, as well as the naval and air bases on the Kola peninsula.

This does not, however, pose a danger for strategic stability. Deployment against the Soviet second-strike capacity, according to Admiral Hunt, always requires a political decision and depends on the situation. This does not mean that action is not taken against strategic submarines. Strategic submarines have a different acoustic signature from other submarines. The deployment of western naval forces in the waters around northern Norway is legitimate, since these are international waters. There are NATO regulations for deployment against strategic ships; U.S. national regulations are no doubt similar. There is no "new naval strategy." Only the explanations of the Americans and the fact that they have recently sent their aircraft carriers on maneuvers in the Norwegian Sea more frequently is new.

Europe could not survive without secure sealanes and an appropriate naval strategy, says Admiral Hunt. The meaning of this is illustrated in Northwood with the example of logistic support and troop reinforcements: In the first 30 days of tension or conflict, 30 brigades would be transferred from the U.S. to Europe along with 100 squadrons of fighter-planes. Over 180 days, however, 1.5 million soldiers would have to be transported, as well as 8.5 million tons of ammunition and supplies, as well as 114 million barrels of fuel: This is over 3000 shiploads. As great as the air transport capacity may be, it account for only 10 percent of the total--90 percent of the transports would have to go by sea.

It is not only the improved capabilities of the Soviet submarines, surface warships and naval aviators that are cause for concern. The activities of the Soviet merchant marine are also being carefully noted. Merchant and fishing vessels can conduct spy missions and sabotage operations or lay mines. Admiral Hunt knows of 73 Soviet ships berthed at western ports this very day; twenty-five of them are at British ports.

The western concept of naval strategy is "defense in depth." Far "forward" would be western submarines and airplanes. They must confront the Soviet surface fleet, which, like a brooding hen, would have to shield its own submarines. Outside the range of most Soviet aircraft, an attempt would be made, by means of a "barrier operation" between Greenland, Iceland and Great Britain, to prevent Soviet submarines from entering the Atlantic. In this way, important naval units and convoys would be shielded by a forward protection.

At the Northwood Supreme Command, 118 officers from 8 nations stand duty; in a bunkered deployment center, air deployment can be coordinated and contact with all ships can be maintained in fractions of a second under the -- national -- leadership of the British fleet. Value is therefore placed on a well-balanced naval force. Naval aviation and submarines are required just as much as minelayers, frigates and destroyers. The day of surface ships is by no means over. Airplanes make it possible to locate and engage submarines more quickly. However, only frigates with long-range sonar and combat helicopters can persistently monitor a sea territory and provide other ships with protection against air attack.

In Northwood, Rear Admiral Heaslip, who is responsible for submarine deployment, says that the West still has a qualitative edge on the Soviet Union in the matter of submarines, though this is no cause for complacency, since the Soviet Navy continues to learn and is catching up. The West is superior in the quality of its seamen and computers, and western subs still run more quietly than those of the Soviet Union.

It is said in Northwood that the general location of the Soviet submarines is known, even if the exact position "of every submarine, at every instant" is not. The fact that the U.S. sounded the alarm when, instead of the customary three, there were suddenly five Soviet strategic submarines operating off the U.S. Atlantic coast in April indicates the extent of western information.

It is believed that their own Polaris submarines are "probably not being followed by Soviet attack submarines." As for the ticklish relationship with the French and their strategic submarines, those at Northwood say only that there is close cooperation with the French Navy as well. "There must be a type of traffic control under water as well, if only to prevent collisions." There is a French liaison mission and regular talks with the commander in chief of the French Atlantic Fleet in Brest. There are joint naval maneuvers, even in the framework of NATO exercises.

Admiral Hunt generally has nothing but praise for the close naval cooperation in the Western alliance. The importance of the German Navy is acknowledged, even if it does not fall under the "Eastern Atlantic Command," but rather under the NATO Commander in Chief Europe, General Rogers, who is often jokingly addressed as Admiral, since he also commands the U.S. sixth fleet in the Mediterranean. For the Dutch Navy, primarily the number and quality of its frigates, Admiral Hunt has only the "highest regard."

He considers it "completely untrue" that the British Navy is more conservative than the Army or Airforce, and that it is oriented less toward Europe and more toward isolationist-imperialistic traditions. Of course, the British Navy would also be deployed "outside of the NATO arena, but still in the interest of NATO." There have been national British operations "for years" in the Gulf as well, in the Pacific, in the Indian Ocean, in the southern Atlantic and in the Caribbean. At the same time, every opportunity is used for joint maneuvers with the Allies. Hunt mentions a joint firing exercise with the Dutch off the Saudi Arabian coast; he would also welcome joint maneuvers with German warships.

Overall, summarizes Admiral Hunt, despite all the concerns about growing Soviet naval capabilities, the West has a realistic chance of defense. He does not wish to trade places with the naval commander on the other side.

13233

CSO: 3620/255

BALTOP COMMANDER, FOREIGN MINISTER ON ARMS TALKS, BUDGET

General: NATO Reinforcement Jeopardized

Copenhagen BERLINGSKE TIDENDE in Danish 23 Jul 87 p 7

[Article by Nils Eric Boesgaard: "More Money for Defense Without Nuclear Guarantee"]

[Text] "We cannot expect that the Americans and the British should pay for strengthened conventional defenses if nuclear weapons are removed," said Lieutenant General Niels-Aage Rye Andersen.

"Despite all the footnotes and everything else, whatever else may be said about Denmark's political contribution to NATO, there is nonetheless quite strong confidence in the fact that we are able to perform our military tasks," stated the departing chief of BALTOP, Lieutenant General Niels-Aage Rye Andersen.

"If the superpowers succeed in reaching an agreement on removal of medium-range nuclear weapons in Western Europe, it will be necessary as far as concerns Denmark that we really fulfill the defense agreement, and that in a new agreement, we increase the annual budgets by 800 million kroner," says the chief of NATO's joint command, Lieutenant General Niels-Aage Rye Andersen.

"A total removal of nuclear weapons naturally is a wish which we share with many others. But this cannot be implemented before a balance in conventional weapons is brought about. For years, people have feared nuclear weapons, but at the same time have accepted that American, and to a certain extent, British and French nuclear weapons have been used as a guarantee of our security as against the conventionally much-stronger Warsaw Pact countries.

"If we now remove the nuclear weapons, West Germany, Denmark and the other European NATO countries naturally must contribute more. One cannot reasonably expect that the Americans or the British will pay by themselves," states Lieutenant General Rye Andersen.

"Our contribution to a conventional balance initially can be accomplished by our getting brought into shape that which our adversaries know full well we do not have in shape--that we get up to full strength, first and foremost, our ammunition. We need to expand our air force and generally need a thorough renewal of materiel. The navy is in the process of acquiring the new Standard Flex 300 system, and I am very willing to support the chief of SOK (Naval Operations Command), Rear Admiral Jorgen F. Bork, in the view that the navy's two frigates are worth saving and worth manning.

Not Much Reciprocity

"In a crisis situation, the frigates are a factor which could express our sovereignty in the Baltic, and in a war, they are necessary in the North Sea for escorting reinforcements, and together with other NATO entities, for protecting communication lines.

"This obviously is an undertaking in which the German navy also is engaged, but it is rather feeble on our part if we leave this all to the Germans. This does not provide them with much of an impression of reciprocity," states Lieutenant General Rye Andersen.

"The Danish soldier is well regarded in NATO, both by the Germans, who are our closest alliance partner, but also by the others, and especially by the British reinforcement troops in UKMF--United Kingdom Mobile Force, as well as by the United States Marines, and the American 9th Division," states Rye Andersen.

"Despite the footnotes and everything else, whatever else may be said about Denmark's political contribution to NATO, there is nonetheless quite strong confidence in the fact that we are able to perform our military tasks."

Additional Brigade

"Our shortcomings are well known within NATO. We lack ammunition. It is known that our mobilization forces are quite old, but it also is recognized that we manage, and that we are working on improvements. It also is noted that our mobilization and reserve office systems function particularly well.

"I do not doubt that Denmark easily could provide an additional brigade, but if we could get the 800 million kroner, we will be reasonably well protected.

"At the same time, I also believe that one of the first improvements that we should have, over and above the current agreement, ought to be a reestablishment of local defenses which were lost when the army fighting forces were reduced in 1973 from 78,000 to 72,000 men. Defenses in rural areas are relatively thin. The Jutland Fighting Group is available and can perform some of these tasks, but the various regions have a need for more--approximately on the level which we had 14 years ago.

"We in the armed forces understand very well that the taxpayers boggle over having to continue to shell out money, but on the other hand, when one wants to be rid of nuclear weapons, the alternative is that one must pay something more for conventional defense."

"At the moment, there are groups which are so involved in the defense debate that one could get the impression that money is being wasted on things of no benefit. That is absolutely not the case. All we need is a rounding off--for which price increases and technological cost increases are to blame," states Rye Andersen.

"I have great confidence that the Danish armed forces will be able to perform and I have great confidence in our personnel. I also think that we have reason for placing trust both in the people's attitude concerning defense and their awareness that a larger insurance premium in the form of a few more funds for defense, in reality, is contributing to the acquisition of the greatest of all social benefits--the preservation of our liberty."

Nuclear Disarmament, Conventional Buildup

Copenhagen BERLINGSKE TIDENDE in Danish 24 Jul 87 p 7

[Article by Thorkild Dahl: "Buildup to Follow Nuclear Disarmament"]

[Text] The government and the Social Democrats are in disagreement over the extent to which removal of nuclear weapons will reveal an imbalance between East and West in conventional weapons. A nuclear disarmament is expected to be followed by a conventional buildup.

"The money which the government wants to have added to the defense spending signifies only a maintaining of current strength, and not a buildup." Uffe Ellemann-Jensen.

"In the first place, we have a reliable defense, and second, we can have a better defense for the same amount of money." Karl Hjortnaes.

The election drums are beating, and the reduction of international tension related to a superpower agreement for the removal of short- and medium-range nuclear missiles in Europe has cast a new light on the conventional balance or imbalance.

"If the Russians are proved correct that the admissions to the effect that nuclear disarmament will be counteracted by a conventional buildup in the West, then this can very easily mean that there will not be any interest in making an agreement for nuclear disarmament," states Karl Hjortnaes, who warns against raising too many issues in the all-important East-West negotiations.

Foreign Minister Uffe Ellemann-Jensen (Liberal) says that "Karl Hjortnaes is attempting to shove the problem under the carpet by saying that the matter is too complicated.

"This is very dangerous, for if we are not willing to pay what it costs to make us independent of nuclear weapons, then we will not be taken seriously when there are discussions concerning the removal of these weapons.

"It is well known that there is an imbalance in the conventional forces, to the advantage of the Warsaw Pact, and if Karl Hjortnaes disputes this, he must have information which we others do not have," Uffe Ellemann-Jensen tells BERLINGSKE TIDENDE.

In a reply to BERLINGSKE TIDENDE, the Social Democrats' defense negotiator rejects the foreign minister's concerns and conclusion.

"Based on the hearing which we had in the defense committee of parliament, there is nothing which documents that there is an imbalance between NATO and the Warsaw Pact in conventional forces.

"NATO has clear superiority in naval forces. The number of planes is in balance. It is asserted that NATO lags significantly behind in anti-tank weapons, and that is perhaps correct, but two-thirds of the Soviet anti-tank weapons are so old that they presumably cannot be used in a war. It is said that there are far more soldiers in the Warsaw Pact, but I doubt that. And it is not certain that the Poles will fight for the Russians, and that the East Germans will attack the West Germans. Thus, there is a question of whether there really is an imbalance in conventional forces," Karl Hjortnaes states.

Foreign Minister Uffe Ellemann-Jensen believes that there is imbalance in favor of the Warsaw Pact, and that the NATO countries previously have protected themselves against this imbalance by means of the nuclear threat.

"If we remove that threat now, we will get an imbalance which is dangerous for Denmark's security. It is naive to believe that we can get their conventional forces down to our strength, and the more we weaken the nuclear threat, the greater the strength required of our conventional defenses," states Uffe Ellemann-Jensen, who adds that the removal of nuclear weapons is desirable, but that it must be viewed in connection with conventional forces.

12578

CSO: 3613/115

DEFENSE MINISTER ENGELL PRESENTS CASE FOR INCREASED BUDGET

Copenhagen BERLINGSKE TIDENDE in Danish 25 Mar 87 p 10

[Op Ed Article by Defense Minister Hans Engell: "Should Defense Receive More Money?"]

[Text] "We will definitely come to your aid," said Corporal Tim Scott smiling. Tim is a landscape gardener with a wife and two children who lives outside London and is a soldier in the British UKMF forces. These forces consist of approximately 15,000 people who are earmarked to come to the rescue of Denmark in a crisis situation. Tim has participated in exercises here many times. We met him and his colleagues when the representatives for the defense compromise parties visited England last week, among other things, to discuss the future of the British reinforcement forces. Tim had no doubts: "We fight for the same thing but it seems to me that you could do a little better with your own defense," said the young Englishman outright.

One of the questions that is of great interest to the British and our other NATO allies is the future of Danish defense. The interest is viewed in light of the negotiations which soon will be taking place about a new defense agreement. The starting point will, of course, be the situation of the defense the way it appears after years of huge cuts. The military peace force has been cut back approximately 40 percent in 20 years. Every year, we have withdrawn 1,000 men from the defense force on the average. The number of draftees has been reduced by 71 percent. The naval units at sea have been cut from 77 to 63, and the number of aircraft has been reduced from 128 to 84. During the same period, a gigantic buildup, both in number and quality, has taken place in our very close vicinity. Danish defense has, in fact, become relatively less capable of solving the politically assigned tasks. Not everything has been totally bleak. The defense force has also received much new materiel; the training has improved and the high number of people who enlist in the military and the Home Guard says something about the defense spirit of our people. But obviously there is a lower limit where credibility can be denied. We have still not achieved that limit but that might lie ahead if we in the coming years do not implement a series of required improvements within the Danish defense. We are not talking about a powerful or dramatic rearmament. Not at all. Only a moderate increase in the defense budget which means that we are able to maintain a reasonable Danish defense contribution

within the framework of the NATO membership and to prevent the continual undermining of Danish defense.

The funds that are allocated for defense will, of course, have to be earmarked for concrete projects. In accordance with the government's understanding, it is appropriate to concentrate on a number of priorities:

1. Call up more draftees. Our mobilization forces have been gradually reduced due to the rapidly decreasing number of draftees. It is now necessary to rebuild the military service and apparently there is both political sympathy and sympathy among the population for that.
2. We must ensure a reasonable division of materiel within the three services and the Home Guard--we have very old materiel and in the coming years much of that--for example our fisheries inspection ships--must be replaced because of age.
3. The defense force's supply of war equipment, for example ammunition, must be replaced. Without sufficient provisions, the defense force's endurance will be considerably reduced--and thus the capability to receive military reinforcements from the allies.
4. The development of the Home Guard must continue. A number of required materiel projects must be implemented.
5. Most important by far is, however, that Denmark will be able to continue to act as a credible NATO ally. We must participate fully in the alliance's military cooperation and support the approved strategy. We do not believe in the talk about defensive defense. No one can accuse Danish defense of having aggressive intentions; and none of NATO's arms will be used unless we are attacked first.

The defense force must, of course, continue to be modernized and made more effective within the available economic framework. But it is a misunderstanding to believe that there are great savings to be obtained from the existing framework. Proof of that is in fact lacking. When we are criticized by NATO, it is not because of our utilization of defense resources, rather because the total level is considered too low. Our allies say in other words: Denmark uses too little for its defense, but what they have at their disposal, they utilize well.

It is therefore important to realize that in the years to come, we do not have the possibilities to maintain an unchanged defense with an unchanged defense budget. Without certain adjustment in the economy, Danish defense must be reduced further in the coming years. We cannot get the same defense for the same money.

I emphasized this clearly in connection with the Folketing debate on Danish defense last week.

The opinion polls prior to the negotiations have shown that a great majority of the population is in favor of NATO and Danish defense. When it comes to the question of sacrificing more money, we see clearly that the wallet is close to the heart. People are reluctant to pay much more. This is nothing new or surprising. But instead of asking about the money, couldn't we also ask about the following: Do they want Denmark to be an easy prey for a military target? Do they think it is appropriate that our soldiers and Home Guard people fight with obsolete arms or with too little training possibilities? Do they think it is reasonable that Denmark only draft one-third of its young men for military service at the same time as we demand that Tim Scott and his 15,000 colleagues will come to our aid if need be? Do they think that Denmark deserves proper defense and should we pay for it?

9583

CSO: 3613/67

PAPER VIEWS PUBLIC ATTITUDE TOWARD DEFENSE WILL, FUNDING

Copenhagen BERLINGSKE TIDENDE in Danish 20-26 Mar 87 p 6

[Editorial: "Defense Will Good, Sacrifice Will Poor"]

[Text] The government has not had any trouble with the Radical Liberal Party being radical. Just the opposite.

It has been of crucial importance for the government's economic reconstruction policy to be able to assume the tradition of responsibility for social economy from the Radical Liberal Party.

It has also been of importance for the government in another way to include the Radical Liberal Party.

In the old days, in the period between the world wars, when the political pattern for the Danish welfare state was founded, it was actually a fact that for the sake of objective insight, a couple of radical ministers were included to dress up a social democratic government.

This is part of the past. The Radical Liberal Party does not expand directly into the four-leaf clover of the government parties--the five-leaf clover is too rare a plant--but the Radical Liberal Party has often been the stalk which carried the four-leaf clover.

But now the Radical Liberal Party no longer wants to carry the government under any circumstances.

The four-leaf clover can get picked for the defense issue.

Of course, the Radical Liberal Party has all the time had its opposition against defense as their main plank over to the voters of defeatism and it is so much more important for them to maintain that connection: and Gert Petersen [Socialist People's Party] has been busy building interim bridges across to the strongly motivated flock who shares their opinion among well-known peaceniks, antimilitarists and what-is-the-use people. The fear of war has replaced the fear of God as an emotionally loaded religious element.

The government could be indifferent to the Radical Liberal Party in all defense matters, as long as there was agreement with the Social Democratic Party on the defense issue.

It was a free round socially for the Radical Liberal Party to stay outside the defense compromise, as long as the Social Democratic Party was around to carry the defense burden.

The situation has fluctuated with the condition of the overall political picture, and especially in the form of international crisis, but it is noteworthy that since the end of the seventies, the trend shows a 50 percent increase in the support for NATO.

In April 1985, 61 percent stated support for NATO. In January-February 1986 the figure had risen to 63 percent. The figure for those who were against NATO in 1985 had dropped from 17 percent to 16 percent in 1986.

In a more recent Gallup poll conducted for the Home Guard and an excerpt published in the Home Guard Paper number 2/87, this trend is being maintained.

In August 1986, 66 percent of the people asked answered yes to the question whether Denmark should remain in NATO, 14 percent answered no and 20 percent did not know.

Denmark's membership in NATO seems therefore to be deeply anchored among the adult population.

But does the principal support of the alliance policy correspond to other positive elements of that position?

In the Gallup poll conducted by the Home Guard, the defense will was tested by asking whether people believed that Denmark would defend itself if the country was attacked tomorrow by the Soviet Union, Poland and East Germany and we knew about it.

Fifty-eight percent said that we should defend ourselves. Twenty-seven percent were of the opposite opinion and 15 percent had no answer.

Of the people polled in the aforementioned Gallup poll, 81 percent felt that Denmark should have defense. This constitutes 87 percent of the men polled and 76 percent of all the women polled. The figures against were 8 percent for the men and 14 percent for the women and 5 percent of the men and 10 percent of the women could not answer the question.

The defense will is present. This is proved by another more recent survey. The Defense Center for Leadership has with the help of surveys conducted by Denmark's Statistical and Social Research Institute jointly polled the defense will from May 1975 to October 1986.

And the government which definitely did not have any desire to see its radical economic partner become weaker among the voters, has always clearly felt that it was in its best interest to just grin and bear it when the Radical Liberal Party criticized the government's security and defense policy.

Now this has all changed. The Radical Liberal Party no longer sticks with the criticism. Now the party also wants to play politics. The big politics with a small p.

And now, as so often before, it is Jens Bilgrav-Nielsen who has sounded the trumpet.

During the defense debate in the Folketing on Thursday, he repeated the Radical Liberal Party's war statement many times: if the government reaches an agreement with the Social Democratic Party in the upcoming negotiations on a new defense compromise for increased appropriations for defense for the five year period which begins January 1, 1988, the Radical Liberal Party intends not to vote for the budget which the government will submit in the middle of August and will approve by the end of December.

The elections campaign which the Radical Liberal Party seems to have already begun may very well gain momentum. They have put on the party's old armor and are prepared to get involved in the government's fight with the Social Democratic Party during the summer months when the current defense compromise participants seem determined to sacrifice the effectiveness of defense on the altar of campaign preparations.

It may be politics at its worst. Tactical party considerations overlay the political analysis.

Obviously the voters are holding the strings; and we can hardly expect a new defense compromise before they have decided the composition of the next Folketing. There are too many parties which see it to their advantage to drag out the issue until the elections are over.

But what do the Danish people think about the defense issue?

With many unrelated elements and in a fragmented way we can take a bearing of that opinion by listening to what the voters' elected representatives, the politicians within and outside the Folketing, have to say about the issue. That is far from being unanimous and it is far from being exhaustive.

We can also take a bearing of the official debate as it develops outside the actual political environment, at meetings and in other manifestations; in newspapers and in radio and television.

But the most direct way and with the least possibilities of wrong interpretation is to follow the development in position and views through the opinion polls which are conducted at relatively short intervals.

The BERLINGSKE TIDENDE has made it a custom to ask the voters once a year through the Gallup Institute about their position on Denmark's active membership in the North Atlantic defense alliance, NATO.

The registered result has always been positive, that is, of those asked, there has always been a greater number who were in favor of Denmark's participation in NATO than there were against.

In October 1986, 70.7 percent of the people asked answered that they definitely thought that the conditions in Denmark were worth defending against a military attack, while 17.9 percent were somewhat in agreement, so the total positive answers was 88.6 percent against 6.5 percent plus 4.9 percent, a total of 11.4 percent negative answers.

The defense will is intact and massive, although the great progress in positive answers from October 1982 (86.9 percent) to October 1986 (89.1 percent) has diminished somewhat again during the past two years, and we are quite a bit below the total of 93.2 percent positive answers in May, 1980.

The fundamental defense will does, however, not equal the corresponding will to grant an increased appropriation for the country's defense.

Only 6.9 percent of the people asked in the survey conducted by the Defense in October 1986 felt that the defense should be much stronger than it is; 18.1 percent felt that it should be somewhat stronger, a total of 25 percent positive answers against 8.2 percent who felt that the defense should be somewhat weaker and 8.3 percent who felt that it should be much less, a total of 16.5 percent negative answers, while 58.5 percent maintained that the defense was sufficiently strong.

The figures compare with the results from the Observa survey MORGENAVISEN JYLLANDS-POSTEN published on Tuesday and was frequently cited during the defense debate in the Folketing that same day.

In the Observa survey, 20 percent of the people said yes to the question whether the defense appropriations should be increased by 800 million kroner which the government has announced it will propose; 29 percent answered no; 37 percent wanted the situation unchanged and 14 percent had no opinion.

These are all figures which must give the government food for thought. The defense will is there but the will to sacrifice is missing.

Gorbachev has not lived in vain, and here in Denmark, the Americans have lost the fight in the security policy in the public opinion polls.

In the survey conducted by the Home Guard, 60 percent of the people asked said that the Soviet Union and the United States were equal in increasing the likelihood of war in the world; 14 percent felt that the United States threatened peace the most and 13 percent felt that the threat was most from the Soviet Union. The other 13 percent had no opinion.

This manifestation of figures which indicate the totally false parallel between the Soviet dictatorship and the American democracy undermines every upcoming defense compromise and constitutes the greatest single threat against our formation of opinion concerning the situation of security policy in Denmark.

It is not the problem of the little Radical Liberal Party minority status. But it is crucial for us who belong to the majority of the defense policy--in principle.

9583

CS0:3613/67

CIVIL DEFENSE ASSOCIATION CHIEF CITES NEED FOR ADDED FUNDS

Copenhagen BERLINGSKE TIDENDE in Danish 6 Apr 87 p 13

[Op Ed Article by Ole Lund: "Protecting the Population"]

[Text] The negotiations about a new defense compromise also cover the civil defense where much has to be rectified if the population is to be guaranteed a reasonable protection in peacetime as well as in wartime.

The broad compromise on civil defense which was approved between the Social Democratic Party, the Radical Liberal Party, the Conservative Party, the Liberal Party, the Center Democrats and the Christian People's Party was a good beginning in giving the population more confidence in the civil defense. Of course, the expectations from this compromise were also built up.

Ostensibly, the basis for the civil defense compromise in 1984 was that both the State and the municipalities had for years cut back on appropriations for civil defense.

That was in itself unreasonable and indefensible. Obviously the politicians had not taken seriously the survival of the population during an eventual peacetime catastrophe or during wartime.

Civil defense was being sent out to starve, and the economic cuts appeared as threatening insecurity for the population. It was not enough to only offer reasonable protection if the catastrophe struck.

The so-called civil defense compromise contained agreements about strengthening the civil defense through a 3-year period which would bring about increased appropriations in the amount of 294 million kroner for the protection of the population.

It is well known that it is not unusual for the politicians in the Folketing to enter into compromise in various areas. For many years, broad compromises have been made on military defense--among other things, to build up Denmark's credibility in the world arena.

It was a clever move when the Folketing in 1984 also made the protection of the civilian population a compromise item. The breadth of the compromise gives the impression that the legislative power desires this protection.

There is no doubt either that the compromise was a good beginning, but when it is scrutinized, it is only a beginning!

In 1980, the Civil Defense Board published a memorandum which indicated several needy areas in the civil defense, and in 1982, the Civil Defense Board published a report on the situation of civil defense. Both the memorandum and the report were partially followed up in the civil defense compromise in 1984.

The civil defense compromise contains decisions on actions to be taken in neglected areas in civil defense, for example, warning; telecommunication; municipal civil defense; capacity of area of defense and information to the population.

The Folketing's politicians are now working on the negotiations about an upcoming defense compromise for 1988-90, and in order for the civil defense not to end up as a footnote to the defense compromise, the negotiating politicians must be made aware of what kind of task they are facing.

When the basic element in civil defense both is and should be the individual citizen, I want to state the necessity of information for the public to guarantee that the citizens not only know what is the objective of civil defense but also what protection measures the individual himself can take in case of war or catastrophe.

It is necessary to train the population for self-protection, but the politicians obviously did not have sufficient vision for that in connection with preparing the first compromise.

The first civil defense compromise extended the framework to the amount of 294 million kroner spread over three years, but only 2.4 million kroner of that amount was devoted to direct information for the public. In addition, 1.2 million kroner were earmarked for information of more technical type for special tasks.

The Civil Defense League has entered into an agreement with the minister of the interior about information for the public, among other things; however, during the compromise period, the league has only received 1 million additional kroner, which corresponds to less than 10 ore more consumption per citizen a year. The media people laugh--and not without reason!

This laughter can be dangerous! What kind of help is it that the technical part of civil defense is improved if the population is not given any orientation about how to behave in a given situation.

There is much talk about the military defense materiel being worn because it is not maintained and renewed, but it is my allegation that the involvement of the population in civil defense is worn because that is not being maintained and renewed.

It is threatening for the survival situation of the population if the civil defense does not make allowances for many more means of information in the upcoming broad compromise.

The Civil Defense League is willing to take on the task of informing the public, involving and training the population for self-protection. But that costs money!

In the second compromise period from 1988, great emphasis should be placed on training the population and providing information, along with strengthening of enlisted personnel input in the civil defense.

The Civil Defense League/Danish Women's Preparedness which is the organization of enlisted personnel in civil defense, is being criticized for too little admission of enlisted personnel in the first two compromise years. It is correct that the admission of enlisted people in the civil defense has been too little, but it is also striking that the request for more enlisted people is only mentioned as a dependent clause in the first compromise text and the necessary means for the recruitment efforts are not set aside.

The Civil Defense League/Danish Women's Preparedness which solves the problem by recruiting volunteers for civil defense runs into the problem that the authorities do not seek volunteers extensively enough.

Many municipalities let great parts of the civil defense efforts rest on several conscripts and several civil servants.

It comes forth in the memorandum issued by the Civil Defense Board in 1980 and later analysis that the civil defense personnel situation is serious. It is my view that the improvement will come about by admitting more enlisted people, and that obviously funds will be set aside for both recruitment and good training of the enlisted people.

Despite--or perhaps just because of--the municipal self-rule, the municipalities should be obligated to concentrate more on voluntary efforts in order to "keep the spirit high" among the population. The participation of the population is absolutely necessary if a credible civil defense is to be established. But an active participation by the population will also mean a demand on the civil defense.

Hopefully, more funds will be earmarked for these tasks in the coming compromise period. Words alone do not do it! Enlisted personnel in the civil defense cost money also, although it is not as much as for military draftees. But the comparison is unfair. The contribution of the enlisted personnel originates in an involvement which cannot be subjected to economic evaluation and then be compared with the expense of using only drafted personnel.

The Civil Defense League/Danish Women's Preparedness must not stay in the shadow of the goodwill which the politicians give the Home Guard, as that weakens the interest in using time and strength on the humanitarian help for the civilian population which is the main objective of civil defense.

It seems in order to pose the question:

Why do the enlisted personnel in the civil defense not get the same attention as the enlisted military defense personnel?

How do the politicians believe that it is possible to promote and guarantee the involvement of the population in civil defense under these conditions.

The political will is demonstrated in economic contributions. It will be extremely interesting to see whether the politicians in the days to come will have the necessary will to take the protection of the population seriously.

The compromise parties and the legislative power now have the opportunity to admit that the first compromise was a good beginning. The next compromise about defense and civil defense must demonstrate that the protection and involvement of the population gets a higher priority. It is impossible to be without the professional contribution, but the population's own possibilities for immediate self-help must be strengthened considerably.

Every citizen in the country must undergo a course in self-protection consisting of a minimum of six hours and the Civil Defense League is prepared to offer such a course if the political will is present.

We are not hoping that war will come or a catastrophe will strike, but if it occurs, the civilian population must have far better protection than is the case today.

The politically responsible people must be made aware that the memorandum issued by the Civil Defense Board in the eighties has not been followed up. There is, for example, no proper plan for provision of water; food supplies; electricity and medical supplies for the population of the metropolitan area.

Many people are ready to roll up their sleeves and get started. Not only as taxpayers but also as citizens who want to survive!

9583

CS0:3613/67

VIGLEIK EIDE, NEW ARMED FORCES COMMANDER, GIVES VIEWS

Presently Northern Forces Commander

Oslo AFTENPOSTEN in Norwegian 9 Apr 87 p 3

[Article by Hans Chr. Erlandsen: "Bull-Hansen Does not Want to Stay Another Term--Eide New Armed Forces Chief"]

[Text] From what AFTENPOSTEN has learned, tomorrow the cabinet will promote lieutenant general Vigleik Eide to general and appoint him new armed forces commander. The new deputy commander for the armed forces will also be appointed on Friday, since chief of staff Alf Granviken will be given new assignments. Together with a number of other appointments this constitutes a dramatic change in the armed forces top command.

General Fredrik Bull-Hansen has said previously that he did not want to continue as armed forces commander beyond the term for which he was appointed. His reason is said to be that since he himself had maintained that it should be possible to remain commander beyond the compulsory retirement age of 60, he should not be the one who benefits from it. His term expires in July, and he will turn 60 in August.

Lieutenant general Alf Granviken has indicated that he is not a candidate for the position of armed forces commander. Among other things, this supposedly has something to do with the dispute which has been going on between defense minister John Horgen Holst and the armed forces commander. Granviken will presumably receive an appointment abroad, for instance with NATO or the headquarters of the Allied Supreme Command in Europe (SHAPE).

Navy or Air Force

The post of chief of staff and deputy commander will be given to an officer from either the navy or the air force. Among those that might be considered is rear-admiral Torolf Rein.

The commander-in-chief for Northern Norway is one of the most important posts in the armed forces. A possible candidate for this post is major general Hjalmar Lunde who is now commander of the 6th division.

Vigleik Eide has advanced very rapidly through the ranks. He is 53 years old, a truly tough one from Torvikbygd in Norheimsund. In 1983, he became chief of staff in the armed forces supreme command until he took over as commander for the Western Norway district command in 1985. Last fall, his appointment as new commander in Northern Norway came as a surprise. General Fredrik Bull-Hansen had suggested major general Martin Vadset, but his position as exercise leader during the Vassdal accident caused the political leadership in the defense department to nominate Eide. Now Vigleik Eide is also the new defense minister's choice.

Two other general positions in the armed forces will be filled shortly, land forces commander in Southern Norway and inspector general for the army.

Worked on 'Brigade 90' Study

Oslo AFTENPOSTEN in Norwegian 11 Apr 87 p 8

[Article by Olav Trygge Storvik: "The New Armed Forces Commander Vigleik Eide: No to Women in the Infantry"]

[Text] The active information channel which has characterized the armed forces in the past few years will continue. The armed forces require larger resources to fulfill their assignments. Women will not get access to service in the infantry, the army's backbone. They are not suited for such hard physical service.

These are some of the opinions of the incoming armed forces commander, lieutenant general Vigleik Eide, who is currently commander-in-chief in Northern Norway. Yesterday, the cabinet appointed Eide as new armed forces commander to succeed general Fredrik Bull-Hansen. The change-over will take place in September.

Information

Eide tells AFTENPOSTEN that he does not want to speak on details in the armed forces operation before assuming his post. Nevertheless, he makes it quite clear that the active information channel which existed previously will continue. He places emphasis not only on individual information efforts, but also on the collective impression the armed forces give of themselves towards the public, including the thousands among the male population who are in contact with the armed forces through first-time service or exercises every single year. His opinion regarding the armed forces central information activity is identical to the one which is expressed in the press release which the current armed forces commander sent out on 5 Feb of this year. Eide noted that the defense minister has declared himself in agreement with the content of this press release.

The Country's Largest

The press release says that information on the goals, framework conditions, possibilities, and results are essential for any activity. The need for information on defense questions both towards the inside and outside

emphasizes that this is the country's largest operation with almost 50,000 in daily activities and 320,000 in the mobilization armed forces. In practical terms it is not possible to reach such a large and homogenous group of persons without actively using the media.

The press release by the armed forces commander on information also says that "the technical evaluation must be presented in such a way that it will be registered and will affect the debate on our defense goals and opportunities and affect the political decisions".

Remembers War

Information on the opportunities and need for defense is important to maintain the defense resolve, Eide feels. He himself was barely seven years old when the Germans attacked Norway on 9 Apr 1940. He remembers the German bombers which flew over Hardanger to attack Norwegian forces which were pulled together in the Voss area. Later, he saw Norwegian divisions break up and flee. This made a strong impression on him.

The 53-year-old Eide will become one of the youngest armed forces commanders in recent times. He belongs to a generation of officers who received all their military training while Norway was a NATO member. He is also one of the few officers in the Norwegian army who attended a staff school in the West German Bundeswehr, and he thinks that the West German army environment provides valuable impulses for Norwegian officers.

Cautious

As to the armed forces operation in the coming years Eide is currently very cautious about making program declarations.

He points out that the 'Defense Study 85' is the best working basis for further development, and that the armed forces need additional larger resources than what they are receiving today. Even if all opinion polls indicate that there is a great defense willingness in Norway, it is strange that this does not lead to more tangible results when it comes to the granting of resources, he feels. He does not want to comment on which armed forces branch should be favored in the coming years, but he says that he is disappointed that the goals for the organization of the more modern and effective 'Brigade 90' were not implemented fast enough. In his previous service work Eide was involved in the basic preparation of the operational concepts and organization of 'Brigade 90'.

As infantryman Eide does not want to see women in this particular service. It is physically too difficult and demanding. There is now doubt about the fact that service in the infantry which forms the army's backbone is such hard work that very few women would manage to keep up, Eide feels. Therefore, women have no place in the infantry. But otherwise he feels that it is desirable to get women into physically less demanding positions in the armed forces .

Changes in Other Posts

Oslo AFTENPOSTEN in Norwegian 11 Apr 87 p 8

[Article by Liv Hegna: "Change in the Armed Forces Leadership"]

[Text] The whole top command in the armed forces will be changed in the coming months.

Yesterday, the cabinet appointed lieutenant general Vigleik Eide general and new armed forces commander. He will succeed general Fredrik Bull-Hansen who will resign because of retirement age in August. Eide is currently commander-in-chief in Northern Norway, and his successor in this post is newly appointed rear-admiral Torolf Rein.

Due to the generally large number of changes there are several in the army who advanced extremely rapidly. General Vigleik Eide has been lieutenant general for only nine months as he is now appointed general and armed forces commander.

The new commander-in-chief in Southern Norway, lieutenant general Hjalmar I. Sunde advanced rapidly through the ranks in the past few years. He previously jumped over the rank of colonel and has been commander of the 6th division with the rank of major general since 1 Oct of last year.

The perhaps biggest surprise in the intrigue which now takes place for the change of the armed forces command is colonel John Herman Rudshagen, who has now been appointed lieutenant general and chief of staff in the armed forces supreme command. Rudshagen was commander of the security staff in the Armed Forces supreme command, and he is now studying at the Royal College of Defence Studies in London. His background is with the air force. Rudshagen succeeds Alf Granviken, also from the air force, who has been Bull-Hansen's right hand in the current term. Granviken will now become chief of the military commission in Brussels and representative in the NATO committee of military representatives. He succeeds lieutenant general Rolf Eios.

The other new appointments are colonel I Alv Midthun who will become chief of staff in the armed forces command in Northern Norway. He served in the multinational forces (MFO) in the Sinai under the Norwegian commander, major general Egil Ingebrigtsen.

The new commanders in Northern Norway include major general Torkel Hovland as new commander of the 6th division. He is currently commander of the Troms land forces. His successor in this post has not been appointed yet. Hovland has also served previously with the multinational force (MFO) in the Sinai for which general Fredrik Bull-Hansen was the first commander.

Otherwise, Arne Vik and Kristian Thomesen were appointed major general and rear-admiral respectively and will assume the posts as commanders for the army forces and naval forces in Northern Norway, Thomesen takes over after Rein, the new commander-in-chief in Northern Norway. Vik succeeds major general

Dagfinn Danielsen who will become the new inspector general for the army. He succeeds major general Olav Breidlid who will retire because of age.

In Southern Norway, major general Ole Ronning will succeed major general Bjorn Frantzen as commander of the land forces. Ronning has broad experience from UNIFIL in Lebanon and the multinational force in the Sinai. He has been commander for the Finnmark land forces since 1985.

The current chief of the planning and budget staff in the armed forces supreme command, the newly appointed major general Per Holm, will become chief of the district command South and will succeed major general Martin Vadset who was appointed lieutenant general and was made available for international assignments.

The current commander-in-chief in Southern Norway, lieutenant general Eyvind Benedictus Schibbye, takes over the post as Deputy Commander in Chief at NATO's northern command on Kolsas.

Newly appointed rear-admiral Per Sollien takes over as chief of the operational staff in the armed forces supreme command.

12831

CSO: 3639/40

NAVAL STAFF'S HOFSTEN: USSR SUBS PRACTICING SURPRISE ATTACK

Stockholm DAGENS NYHETER in Swedish 24 Jul 87 p 6

[Article by Bo Westmar: "Soviets Practice for Attack"]

[Text] "A foreign power is conducting training for a surprise attack on Sweden," says Hans Hofsten, a captain with the Naval Staff.

Right now a foreign power is training an age group of conscripts in Swedish waters near Tore. The fact that the Swedish ASW force was going on vacation in July was part of the plans.

These are the words of Hans von Hofsten, a captain with the Naval Staff and a well-known defense debater.

"In my opinion the foreign intrusions into Swedish waters are part of the preparations for a surprise attack on Sweden. This activity has now been going on for so long that the Swedish geography should be familiar to them," Hans von Hofsten says.

The fact that the violations continue despite this is, according to the captain, an indication that the purpose is now instead to train new age groups in the Swedish archipelago. The foreign power which von Hofsten is talking about is the Soviet Union.

Frequent Visits

"We know that the Soviet sabotage units, 'spetsnaz,' are continuously renewed, since the service is very demanding. Training takes 2 years, after which the force remains in the wartime organization for another 2 years before being transferred to the reserves."

Since the turnover is so high and the demands so great, it can be assumed that the Swedish coasts will continue to receive frequent visits from new age groups to be trained, in the opinion of the Swedish Navy officer.

"I do not mean that there should be an agenda for the purpose of 'taking Sweden.' But it is included as a potential alternative, and what is frightening is that they pursue this planning so tremendously hard. It must mean that they judge the likelihood of having to resort to such methods as quite high."

The discovery of foreign underwater objects in militarily sensitive areas outside Tore precisely when the only Swedish submarine force is on vacation is not a coincidence, Hans von Hofsten believes.

"It is likely that on the other side they know everything about our dispositions. Exactly when our submarine forces were going on vacation was probably known weeks in advance."

Greatest Damage

"Naturally, these foreign forces act in such a manner as to hurt us in the greatest possible way. If they know that we do not have any advanced antisub hunting in July, of course they make a push right then and in a place which is guaranteed to have the least possible resources."

"In that way the foreign power gains several advantages. For one, the practice in Swedish waters can take place without serious disturbances and, second, the Swedish defense appears in a ridiculous light, which could lead to reduced defense willingness in the Swedish people."

In a television program Wednesday evening Captain Emil Svensson, head of the Naval Staff's analysis group, criticized the ongoing submarine operation at Tore. Shock charges and hand grenades have no effect against submarines, he said among other things. Cpt. Hans von Hofsten agrees.

Pathetic Search

"The search makes an almost pathetic impression when, as at Tore, one is forced to scrape together the available personnel," he says.

"The Navy still has much to learn when it comes to hunting submarines, but if the infantry is given such tasks it is understandable that the odds become even worse. I do not in any way want to be contemptuous of their efforts up there--they certainly do what they can--but their qualifications are almost equal to zero."

Having the regular ASW personnel cut short their vacations in order to chase foreign submarines in the waters outside Tore also is not a good solution, in Hans von Hofsten's opinion.

More Resources

"One cannot chase subs 365 days a year; no one has the strength. The personnel must know that their vacation cannot be interrupted at any time."

This is why we chose to show our strength on certain occasions, when we gather the entire force, and we should continue that approach."

There is only one solution to the defense shortcomings which have been revealed by the month-long submarine hunt outside Tore, Hans von Hofsten believes, and that is more resources for the Navy.

"There is a considerably cheaper solution than acquiring new ships and all the other equipment, and that is to train new crews which can relieve the present ones. About 100 officers should suffice."

"The way it is now, the constant submarine hunting with no result leads to severe frustrations for the personnel. We have little success, but the Swedish nation has the navy it deserves. If you don't care enough to pay the price, the result will not be what you want."

11949
3650/184

SWEDEN

MILITARY

WEAPONS USED AGAINST SUSPECTED FOREIGN SUBMARINE

Stockholm DAGENS NYHETER in Swedish 24 Jul 87 p 6

[Text] Once again on Wednesday evening no tangible result was achieved by the armed intervention near Storön outside Torne. The explosive charge was triggered after a lookout on land had observed movements in the water near the submarine net.

The regional administration has published advertisements in local Norrbotten newspapers regarding the ban on photographing and access to the ASW area. This has been perceived as an expansion of the ban.

"This is not the case," says Kjell Herlevsson, the regional administration's defense director.

11949

CSO: 3650/184

DEFENSE STAFF CHIEF ASSESSES LATEST SUB HUNT, ASW OUTLOOK

Stockholm DAGENS NYHETER in Swedish 15 Aug 87 p 6

[Article by Sigrid Boe: "Military Hoping for New Torpedo"]

[Text] The defense system is hoping that a new target-seeking torpedo that will make submarine searches in shallow archipelago areas more effective will become available in a few years.

"We are following developments in the United States very closely. The weapons aspect is perhaps our Achilles' heel when it comes to hunting submarines in narrow waterways," said Torsten Engberg, chief of the Defense Staff.

The analysis of what really happened in Torefjarden has not yet been completed. It is far from certain that there really was an incursion by a foreign power.

"We have no technical evidence indicating the presence of a foreign submarine," Engberg said frankly.

The big lesson that has been learned from the search in Torefjarden involves the importance of intelligence services in various parts of the country.

"That is the only way we can find out quickly if there is really anything out there and what it is, so that we can start utilizing the appropriate resources right away," said Torsten Engberg.

The pictures that were produced at the beginning of the week are not enough in themselves. Nor are the sounds that were detected in the area with the help of hydrophones.

"Now we are looking for a logical pattern in the indications instead. And investigating whether they might have a natural explanation, biological or hydrological--currents and things like that. And this takes time," Engberg said.

Large Number of Reports

Among the 180 reports that came in during the search, several indicated disruptive actions. Were they meant to mislead or baffle the defense forces?

"One of the things we picked up was a floating object with a pipe that stuck up above the surface," Torsten Engberg said with a smile. "It was a homemade thing made of black plastic and frigolyte and a projecting piece of pipe."

During the search many voices were raised in favor of using more resources. Torsten Engberg was the one who made the decision and so far he has had no regrets or second thoughts on this point.

"We would have liked to use a minesweeper for the purpose of making a careful search of a limited area. That might have enabled us to know more quickly whether there was something beneath the surface or not."

Too Long

The reason why such a vessel was not used was that it would have taken too long, 2 days, to get one to Tore.

"The time period between the indication and the action was the important thing in making the decision," Torsten Engberg explained.

In the context of submarines, an indication means a sound that is detected by an instrument--a sonar contact. It is not enough just to distinguish a submarine from a fish. It is also important to determine what type of submarine is involved.

"We are now compiling an extensive sound library where sounds can be classified right down to the individual level," said Torsten Engberg.

The Swedish antisubmarine force is on the point of acquiring better apparatus. The coastal corvettes, which are intended for chasing submarines in open waters, are already well-equipped, according to Engberg.

"We started installing the prototype of a new hydrophone on patrol boats over the summer. In a few years submarine equipment will also be modernized," said Engberg.

Not Relevant

He said this would do for the time being. The new quiet technology with almost soundless propellers is not yet relevant for vessels proceeding in Swedish waters.

According to Engberg the fact that an increasing proportion of the world's nuclear arms arsenal is now located beneath the ocean surface does not lead to any risk in hunting submarines along the Swedish coast.

"We are familiar with the submarines in the Baltic that carry nuclear weapons and they are scarcely the type that are used to venture into an archipelago area."

That is not the reason why target-seeking torpedoes are not used to inflict damage on submarines intruding in Swedish waters.

"They require a certain depth and cannot be used in the shallow waters of the archipelago," Engberg explained.

For this reason the defense forces are closely following the American development of smaller torpedoes that can be used in shallow waters.

The debate about the Torefjarden search this summer focused to a large extent on the leaves taken by members of the submarine warfare force. Some people called for the creation of another force--a longheld desire of the military and some political parties.

Torsten Engberg diplomatically maneuvered between the two sides when he was asked if another force is needed.

"It is natural that this should be used to justify a discussion of what the level of resources should be. And of course those who want more resources are saying, 'I told you so.'"

Some support was given to the idea of having double crews so that the force can be in service at all times. Engberg nodded thoughtfully and said the matter has been under discussion for some time. But he also mentioned the problems that arise when several officers share responsibility for one vessel.

"We are probably all somewhat individualistic," he said. "But we already have double crews on some vessels, vedette boats and patrol boats. This could also be an appropriate arrangement with regard to other craft."

6578

CSO: 3650/190

SWEDEN, FRANCE COMPETE FOR AIRCRAFT SALE TO NORWAY

Stockholm SVENSKA DAGBLADET in Swedish 17 Jul 87 p 5

[Article by Margit Silberstein: "Nordic Interest in Buying JAS"]

[Text] Oslo--Norway is considering buying the Swedish fighter aircraft JAS-39 for its aerial defense. Sweden's major competitor in what could become a gigantic deal with Norway, is France.

The Norwegian defense will primarily replace 20 U.S. aircraft of the F5 model which have become too old. The Norwegian air defense is to have undergone a complete modernization by the year 2000. A few years ago when Norway bought new fighters both Sweden and France were part of the final competition, France with Mirage 2000 and Sweden with Viggen. But in the end it was the United States which brought home the multibillion-kronor order, which resulted in the Norwegian defense purchasing the F16 from the Americans. It is far from clear, however, that Norway wants to continue to buy F16's.

Expensive Aircraft

"These are not cheap planes. It is therefore very likely that we conclude they will be too expensive. The final decision with respect to the United States will be made after the summer, when we are to undertake a thorough analysis of the defense we want," says Defense Minister Johan Jorgen Holst.

He also makes no secret of the fact that the Norwegian government is dissatisfied with what Norway got from the United States with regard to industrial coproduction.

"It was less than we had anticipated," Holst admits. "And we will of course take that experience into account when determining which country to trade with."

Norway Punished

Speculations are now in full swing in Norway about whether the Norwegian skepticism of the F16 is a reply to the aggressive decision by the U.S.

Congress to introduce punitive sanctions against Norway. The Americans maintain that Norway, in cooperation with Japanese Toshiba, sold advanced technology to the Soviet Union. The illegal export has led to the Soviet Union being able to manufacture silent-running submarines, which is said to have altered the entire balance of military power between NATO and the East bloc. Johan Jorgen Holst firmly denies any connection between the U.S. criticism and a likely rejection of the F16.

Industrial Cooperation

In the competition between Sweden and France, France has at least one advantage. Norway has entered a very extensive agreement with France for the delivery of gas from the North Sea for several years to come. This obligates Norway to industrial cooperation with France.

A few days ago the French minister of defense visited Norway. At that time defense cooperation was one of the subjects discussed, as replacement for Canada's decision to withdraw the so-called Cast brigade, which was earmarked to assist Norway during a potential attack. According to Defense Minister Holst, cooperation between France and Norway should not, however, determine which fighters Norway is to have.

11949

CSO: 3650/184

NORWAY, SWITZERLAND, DENMARK EVINCING INTEREST IN BUYING JAS

Stockholm SVENSKA DAGBLADET in Swedish 17 Jul 87 p 5

[Text] A total of three countries are now showing an interest in the Swedish JAS-39 Gripen fighter aircraft: In addition to Norway they are Switzerland and Denmark.

"We are flattered over the international interest," Rolf Erichs, information chief at Saab's aircraft division, tells TT [Tidningarnas Telegrambyra, news agency].

Saab has received inquiries from Denmark and Switzerland, which are further along in their purchasing plans than Norway.

"Such inquiries have already gone out to all the producers they think have suitable planes," Schroder [not further identified] says.

What argues in favor of the JAS Gripen is that so far it is the smallest fighter and might be the cheapest, Schroder believes.

So far Saab has not made any attempts to market JAS Gripen abroad. The first flight will not take place until the end of 1987, and the first delivery to the Swedish defense will take place in 1992.

"In the mid-1990's we will be ready to deliver to foreign customers," Rolf Erichs says.

11949

CSO: 3650/184

POLL SHOWS REDUCED CONFIDENCE IN ARMED FORCES

Stockholm SVENSKA DAGBLADET in Swedish 26 Jul 87 p 6

[Article by Hans O. Alfredsson and Helena Thorfinn]

[Text] Swedes have more confidence in the tax authorities than they do in the military. Both the defense forces and the police had declining confidence ratings among the general public. However confidence in the tax authorities rose, according to a new poll conducted by the Swedish Institute for Public Opinion Polls [SIFO].

The poll shows that two-thirds of Swedish adults now have great confidence in the police. Less than half gave the military the same high rating.

At the same time 57 percent said they had great confidence in the tax authorities.

A statistical sample of around 1,000 people told SIFO pollsters what they think of the three groups. Each person ranked his opinion on a scale that ranged from "extremely confident" to "not confident at all."

Changed Picture

In a similar poll last year 60 percent of the respondents said they had great confidence ("extremely confident" and "quite confident") in the military. The tax authorities received a rating of great confidence from 53 percent. Now, however, the picture has changed.

This year 48 percent said they had great confidence in the military. But the group who are "extremely confident" in the military is still larger than those who have a similar opinion of the tax authorities. The figures are 7 and 5 percent respectively. There are 43 percent who are "fairly confident" in the military, while the figure is 52 percent with regard to the tax authorities.

Some 44 percent said they had little confidence in the military while 35 percent said the same thing about the tax authorities.

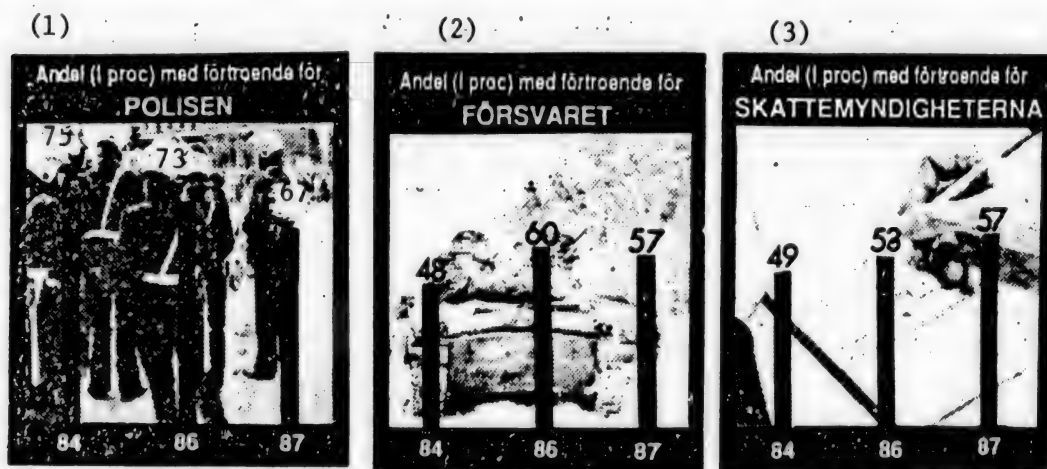
An equal number, 4 percent, had no confidence in the two institutions.

Police

In both 1984 and 1986 the police had the greatest confidence level of the three groups. That is also true this year, in spite of the fact that the police rating has now declined from 75 percent in 1984 and 73 percent last year to 67 percent this year. The percentage of those with little confidence in the police rose from 21 and 24 percent in 1984 and 1986 to 29 percent in the current poll.

Some 10 percent still said they are "extremely confident" (compared to 13 percent in 1986) in the police, while only 2 percent thought they deserve no confidence at all.

Women have somewhat more confidence in the police than men. Confidence seems to be more firmly established in people over the age of 30. It is also clearly lower among members of the Swedish Confederation of Progressional Employees-National and Local Civil Servants Union [SACO/SR] than it is among members of the Swedish Federation of Trade Unions [LO] and the Central Organization of Salaried Employees [TCO].



Confidence Rating in Percentages

Swedes have lost some confidence in the police since 1984 but there are still more people with confidence in the police than there are people with confidence in the military and the tax authorities.

Key:

1. Police
2. Military

3. Tax authorities

Center Party Voters

Confidence in the police is lower among Conservative supporters than it is among Liberals and Center Party voters. Social Democrats also have greater confidence in the police. Center Party supporters have by far the greatest confidence in the police.

Twice as many women as men are "extremely confident" in the military. Confidence is greater among members of LO and TCO than among the highly-educated members of SACO/SR. It is also greater among nonsocialists than it is among socialists. Here too the Center Party is at the top of the list.

Least Confident

Confidence in the tax authorities is lower among older people than it is among younger ones. On the other hand it is greater among members of SACO/SR than it is among LO members. Nonsocialists are less confident in the tax authorities than socialists. The confidence rating is lowest among Conservatives.

Women Should Question More

Center Party voters have great confidence in the defense forces and the police and Swedish women also have more confidence in these institutions than men do.

In the SIFO poll reported above some surprising facts appear. Center Party voters have much more confidence in the police and the military.

"That is strange," said Iwar Andersson, chairman of the Center Youth League [CUF], who made the controversial statement a while back that actions outside parliament should not be rejected out of hand.

Iwar Andersson offered some speculations about the SIFO poll results. He began by analyzing who votes for the Center Party and what kind of contacts they have with the respective authorities.

Deep Trust

"Among the conservatives in the Center Party one often finds people who have a deep inner trust in the police in their towns. That is the same sector of the Center Party that reacted so sharply when I said I was not opposed to the idea of actions outside parliament," he explained and considered for a moment whether that segment of the party is big enough to have such an impact on a SIFO poll.

No Military Service

"But it is quite obvious that we CUF people are less conservative than the Center Party, although when it comes to values we are often close to the really old Center Party people."

Women and the military seem to go together in the SIFO poll. Twice as many women as men felt "extremely confident" in the defense system.

"I don't believe that; is it true?" exclaimed Charlotta Molund, 23 years old, when we found her looking at the main guard outside the castle.

"Perhaps women have an easier time feeling confident in the authorities."

"Or is it because women don't perform military service and therefore don't know what is involved?" her friend Michal Panas, 24, giggled. "Sometimes distrust of the authorities is based on knowledge. Therefore it is not at all healthy that we women do not question things but feel complacently secure."

Also among older people the figures are interpreted as a sign that men have a different degree of insight into the defense system as a result of their military service.

Disturbing

"I have had a husband and sons in military service and I think I know quite a bit about it," said Gun Wikstrom of Pitea. "The women who apparently have so much confidence in the military are just ignorant. The men's opinions are more interesting but also more disturbing."

"Men have a tendency to simply see the negative and perhaps women who are not in the military system are naive," said Greta Nilsson of Kivik, who has been a member of the Women's Auxiliary Service for 8 years. "But I know what I am talking about and I have great confidence in the defense forces."

6578

CSO: 3650/188

FOREIGN AFFAIRS RESEARCHER QUESTIONS 'WAR WARNING' DOCTRINE

Stockholm DAGENS NYHETER in Swedish 27 Jul 87 p 2

[Commentary by Olof Svensson: "Experience in Interpreting Signals the Main Factor in Advance Warning"]

[Text] Advance warning is one of the key concepts of Swedish security policy. Without standing military forces, the country must possess the ability to take the necessary steps in time to increase readiness in the event of a developing crisis.

There will be advance political warning before an attack, Major General Bengt Wallroth states in the Academy of Military Science's yellow book. A familiar and encouraging message on the part of the security bureaucracy; the author is chief of the Defense Ministry's international division.

Associate Professor Gunnar Sjostedt of the Defense Policy Institute, on the other hand, is quite pessimistic. In VART FORSVAR, the publication of the Swedish Defense Society, he questions Sweden's ability to interpret critical signals correctly.

Perhaps one is talking about how advance warning ought to work and the other about what could happen in the worst scenario.

The general feels that "even relatively modest steps in the military sector, such as dispersing air units, increasing readiness for destruction in the port areas, increasing the defense of air fields and protected areas, preparing to lay mines at sea, etc., will increase the effort an attacker will have to make to a considerable extent. In this way our measures could help to deter war."

But unfortunately this probably does not mean that a power that has already made the fateful decision to attack Sweden will halt its action just because the Swedes start to increase their readiness. Anyone who believes that has lost sight of the magnitude of such an extreme political decision as going to war.

According to Wallroth advance political warning can vary in length from "a very long time (years)" to "a short period (weeks)." In any case an attack would not come like a lightning bolt from the blue.

What advance warning time does the Swedish military anticipate in a "surprise attack" when the attacker is already prepared for an assault?

Here Wallroth makes an excellent contribution to the debate by being specific:

An aerial attack--from a few hours to perhaps part of a day.

Airborne landings--1 day, after a substantial part of our air defenses have been destroyed.

Coastal invasion--1 to 2 days even when the assailant's ships are already concentrated at embarkation ports.

Invasion across the border--around a week, during which time the country would be attacked by airplanes and airborne forces, making it difficult for us to send reinforcements to the threatened area.

It is true that the general also mentions the risk of sabotage actions before the outbreak of war--which in themselves could indicate the time and place of an impending assault. And he stresses the importance of correcting the deficiencies in the Swedish intelligence system in accordance with the latest Defense Act. But he does not question central dogmas.

As one might expect, Professor Sjostedt is more speculative. He tackles the entire question of Sweden's ability to deal with a crisis.

Without giving any examples he states that Sweden makes a stronger distinction between war and peace than "many other nations."

He gives several possible reasons for this: No Swedish government can consider using military force for offensive political purposes; we clearly define the state of peace to obtain the greatest possible freedom of action for "economic foreign policy"; we make a sharp distinction for reasons involving international law.

With regard to this one can say first that it seems reasonable to make a sharp distinction between war and peace and second that the Swedish military forces have begun to discuss and make plans for a whole series of "intermediate conditions." Sjostedt has missed an upsurge of Swedish interest in "gray areas."

He maintains that "this clear distinction...seems to make it harder for us to obtain advance warning prior to an imminent military confrontation."

Sjostedt is not alone in thinking that Sweden's analytical capacity is inadequate. However the main thing he wants to say is that the analysis of

the potential threat should be applied specifically to the threat to the established advance warning line.

Associate Professor Sjostedt substantiates this by discussing various forms of "deception," among other things--the deliberate distortion of someone else's perception of the facts. Here, for example, he mentions something as foreign to the Swedish debate as "moles," agents who work from within the state apparatus to supply false information and pave the way for a surprise enemy attack!

Another problem is that the Swedish nation and the defense leadership have little experience in dealing with crises, he asserts, citing the confusion after the murder of Olof Palme as an example.

But the worst thing, according to Sjostedt, is "the element of rigid doctrine" in the public security policy analysis. He says this could lead to warning signals being filtered out or to manipulation by the opponent of a predictable Swedish analysis of the outside world.

As we can see, Wallroth is soothing, Sjostedt is unsettling.

Neither one can prove his statements. What both do show, however, is the need for a more careful analysis of advance warning and gray areas.

Experience in interpreting attack signals must be the key element of advance warning. But we can be grateful that we lack such experience. It can only be acquired through the kind of preparations that we have not had to undertake for more than 40 years.

6578

CSO: 3650/188

PAPER: SYSTEM FOR LONG-RANGE DEFENSE BUDGETING UNDERMINED

Stockholm DAGENS NYHETER in Swedish 23 Jul 87 p 2

[Editorial]

[Text] A fashionable 1960's idea is what program budgeting nowadays appears to be, copied from a United States which at that time was busy with optimistic planning. Lyndon Johnson's "war on poverty" was founded on the wonderful goal-means-analysis of the program budget, in which every overall goal can be broken down into subgoals and there are always means leading to the goals. To be sure, the ideas were tried in Sweden as well, but never did gain acceptance by a practically oriented politician such as Gunnar Strang.

Defense was the only sector of society where the program budget concept took root. Inspiration from Robert McNamara's Pentagon played a role, but it was also important that the defense corresponded relatively well to the ideal image with which the politicians indicate the overall goals and officials at various levels then have to shape the means. It also made it easier, of course, that parliamentary defense decisions as a rule are for 5 years--and that the defense therefore avoids most of the thrashing in the annual budget process.

Once consequence of the play around the 1987 defense decision ought to be that the allegedly so rational defense planning is fundamentally questioned. Most recently it is the supreme commander's program plan which shows that the entire decision-making process around the defense is in a state of fluctuation.

The underlying message of the program plan is that the foundation for decision which the supreme commander previously made available to the politicians and the general public has not been reliable. Parliament's defense decision therefore meant something different from what even the most initiated members of Parliament believed, perhaps even from what the supreme commander himself believed. In retrospect we all find out that there is not enough money for what one had intended to include and that additional priorities must therefore be set.

This is different--and in a way more serious--set of questions from the one so frequently discussed during the winter and spring regarding how much money should be allocated to the defense. For even in case a broader political agreement than the one between the Social Democrats and the Liberal Party had been achieved and the allocation level might have been somewhat higher, the flaws in the planning would still have wreaked havoc with much of the parliamentary decision.

However, it is not only the politicians who have ended up in the middle. The program plan contains an unusually sharp exchange of opinion between the supreme commander and the Navy chief, in which the latter in a dissenting statement opposing the supreme commander's decision complains that there are not sufficient funds for antisubmarine warfare. The supreme commander replies that he, for his part, in the past has helped the Navy get more resources allocated from other military services, but that the Navy chief then without hearing his views obtained other materiel for 40 million kronor, which could instead have been used for ASW equipment. One is reminded of the controversy early in the summer about the suspended refresher courses in which the Navy chief overstepped his authority and was corrected by the supreme commander.

During his soon to end first year as supreme commander Bengt Gustafsson has made serious attempts to assert the authority of his office; one method has been to use plain language. Conflicts within the defense leadership have been lifted to the surface, not least because the supreme commander has shown a tangible willingness to discuss conflicts of goals and priority needs. In the program plan the supreme commander takes the first step toward what--logally seen--must become an extensive disbanding of units within the Army, when he proposes that refresher courses for the not modernized IB 66 brigades and for large parts of the local defense should be suspended for the entire period up to 1992.

Even so, these savings are not enough to prevent delays in materiel acquisition, among others the radar interceptor missile for the JAS. The supreme commander also put his finger on a sore point when pointing out that the orders by the Swedish defense to manufacturers of barrels and ammunition are not sufficient to give them enough workload; no one should doubt that this refers primarily to export opportunities for Bofors. But the conclusion is no more drastic than that the supreme commander stresses the risk of "adjustment measures," which for the defense would mean increased dependence on exports.

The supreme commander now harbors the expressed ambition to achieve a balance between defense expenditures and the resources which are available; he has appointed a "defense commission-88" precisely in order to adapt the desirable to the possible. Next year looms a defense debate which primarily involves cutbacks in the Army organization, but which will also include the Navy organization.

With this step the supreme commander himself has pushed the established planning mechanism aside. It would be wrong to allow it to live on without any content.

FINNISH FIRM FIRST FROM WEST IN COOPERATIVE VENTURE IN USSR

Production With Estonian Kolkhoz

Helsinki UUSI SUOMI in Finnish 12 Jun 87 p 35

[Article by Ilkka Lampi: "Practical Work Has Begun: Sadolin First Western Firm in Cooperative Venture"]

[Text] Moscow--Finland's Sadolin won the gold medal on Thursday in the international competition to establish the first joint venture firm in the USSR. On Thursday, Sadolin unilaterally signed official documents in Moscow to form a joint venture firm with the Estonian Estkolkhozstroy [Main Administration for the Construction of Collective Farms in Estonia] for the production of wood protection agents. The signing of the documents by the Soviet side was postponed until Friday because of technical problems relating to scheduling.

The joint firm will be established in Estkolkhozstroy's plant for the production of wood protection agents. The plant was built by Sadolin 3 years ago on the "turn-key" principle in Rapla, which is about 60 kilometers from Tallinn. The plant will produce Sadolin's wood protection agents under a license.

According to the founding document, the entire plant will be rented as fixed capital to the new joint venture firm, which will direct the entire organization, its production, and marketing.

The corporate form of the joint firm corresponds primarily to a joint stock company, but legally the company is "a separate legal subject operating with limited liability".

There is no similar corporate form in general operation in the West. There are no shares in the company, but each party's holdings. Sadolin's share of the founding capital is 40 percent and Estkolkhozstroy's share is 60 percent.

The highest decision-making organ is the joint firm's board of directors. The board has eight members, among whom four represent Sadolin. The managing director is a Soviet. One of Sadolin's representatives will move to Estonia in the initial phase of operation.

Sadolin May Increase Its Share

"Sadolin has the right to increase its share of holding at least to 49 percent," stated board member Jan Waselius, Sadolin's legal expert.

Sadolin will invest 40 percent or approximately 2.8 million markkas of the full million-ruble (approximately 7 million-markka) original capital investment in the company.

The capital investment is small since the joint firm does not need any investments for fixed capital. New investments will be made in accordance with ownership ratios.

An attempt was made in the founding documents to reach an agreement on nearly all possible issues connected with the firm's and plant's operations. The project will, for the most part, be operated under the provisions of the agreement and not, for example, under Soviet legislation and standards.

"We will invest money, new operating licenses, expertise, and new products as well as the know-how connected with them in the joint venture firm," said Sadolin's General Manager Ulf Ronnholm in explaining the motives for the investment.

The marketing area of the joint firm will be the Soviet Union and other countries. At this time, the plant produces approximately a thousand tons of wood protection agents annually. According to Ronnholm, production will soon be increased to 3,000 tons annually by increasing machinery and work shifts.

Sadolin turned over to the firm its license concerning its trademark in connection with the establishment of the firm. Later the plant will begin producing other Sadolin products, seam ribbon and paint, among other things.

According to General Manager Ronnholm, a decision will be made on the expansion of the plant after 6 months. The plans are already completed.

The firm's operations will commence immediately after it has been registered in the Soviet Finance Ministry. In reality this will mean a few weeks of bureaucratic paperwork.

The Estonian party was ready to sign the founding agreement on Thursday. A technical postponement to Friday was caused by a breakdown in communication at a higher level of Soviet leadership.

The new joint firm is the first company formed with a foreign party, which is based on the joint-enterprise law that went into effect this winter in the Soviet Union.

According to the law, a joint enterprise will pay a 30-percent profit tax of its net profit, among other things. Another 20-percent separate tax is to be paid for transferring profit to a foreign country.

Profits transferred to a foreign country must be generated from export income. The production of the joint firm operating in Estonia will be marketed primarily in the Soviet Union and European countries, said representatives of Sadolin.

'Pioneering Venture' Analyzed

Helsinki UUSI SUOMI in Finnish 12 Jun 87 p 35

[Commentary by Ilkka Lampi: "A Sincere Beginning"]

[Text] Moscow--"We wanted to be the first," stated Managing Director Ulf Ronnholm sincerely on Thursday. "We know that this will become a very profitable firm," assured Ronnholm with just as much sincerity.

Sadolin sincerely signed 50 percent of a founding document on Thursday and also sincerely signed a protocol on the fact that the Soviet party will sign the documents on Friday.

Sincerely stated, the prognosis is interesting. Many other joint ventures have failed because of excessive enthusiasm or shortsightedness. Recent months have also increased realism: several Finnish firms have even dared to state directly to their Soviet counterparts that it is not even worth talking about joint venture projects.

In principle, Sadolin has all its pieces in place: both parties are thoroughly familiar with the production plant and its products, the markets are, in principle, unlimited, and the joint enterprise is not burdened with heavy investments, for example.

The parties in Sadolin's and Estkolkhozstroy's joint enterprise concluded an agreement on the exploitation of knowledge, skills, technology, and marketing as well as raw materials.

This pioneer enterprise may demonstrate whether the product of a joint enterprise formed in the USSR can be competitive on the Western markets where the same products are already being sold.

So far half of Sadolin's exports have already been sold in the Soviet Union. If the production of the joint enterprise increases in a promising manner, the Finnish firm can reduce its exports from Finland. The exporter's problems will decrease, delays and several types of expenditures will disappear, and the responsibility for deliveries will be transferred to the Soviet organization.

The pioneer enterprise will also show how a joint enterprise can be accomplished. Projects in which there are no heavy investments and in which the object of trade is knowledge, skill, technology, and a known know-how have progressed the furthest in their preparations. It is expected that several more joint firms will be established over the summer.

10576

CSO: 3617/112

ECONOMY SEEN SUFFERING FROM UNDERLYING PROBLEMS

Helsinki UUSI SUOMI in Finnish 5 Jun 87 p 2

[Editorial: "Economic Figures Satisfactory, Profitability Not"]

[Text] It appears that Finland's economy is doing well at this time if various growth figures are examined. We are very competitive as far as quantity is concerned. But things are different as far as "quality" is concerned. The profitability of firms is frequently inexcusably weak.

Compared with other countries, Finland's economy is quite comparable at this time when various parameters are considered.

Production is increasing at nearly the same rate as the average rate in industrial countries. Our employment situation is better than several European countries. Also the purchasing power of households is growing at an unprecedented rate and even the state economy is in a rather good balance.

The result of the locomotive of our economy, industry, however, is not good. This was last brought up by a profitability and funding report compiled by the Industry Association. According to it, the results of small and medium-size firms have remained far behind the target level profitability.

Examined against this background, the fierce renewal process which is presently occurring in industry is quite understandable. Expenditures must be cut, businesses must increase different types of cooperation, and new profitable operations must be developed by all possible means.

The ability to accept risk is also an object of renewal. Industry is investing more money than before in research, technology, and training in an effort to find new energy. Such investments cannot be made with loan money, but the risk connected with them must be carried independently.

Naturally, another worry of an indebted industry concerns the cost of capital. They are being examined under the same magnifying glass as all other costs. The financial markets have acquired additional competition. Business financing know-how has also shown that a client of one bank exclusively is

in a worse position in negotiating financing conditions than a firm which has reserved alternatives for itself.

Thus a more equal client relationship has developed between the banks and the business client. A cost-conscious client is also certainly the best client for the banks.

Industry's measures are naturally decisive in improving profitability, but something else is also needed. Thus in connection with the promised tax reform, it must be made certain that society will also provide industry with the legislative framework for profitable operations.

The primary attention in economic policy and business operations should be gradually transferred from the industrial "infrastructure" to issues in which our competitive ability will either succeed or fail. And research and education are, indeed and above all, important issues.

10576

CSO: 3617/112

FINANCE MINISTER ASSESSES THREAT TO CREDITWORTHINESS

Oslo AFTENPOSTEN in Norwegian 9 May 87 p 4

[Article by Lars Ditlev Hansel and Morten Abel: "Foreign Countries Sceptical About Norway's Creditworthiness"]

[Text] Norway could lose its position as a top-rated borrower on the international finance markets. The well-known American institute Moody's which rates borrowers according to their creditworthiness is considering to take away Norway's top ranking "AAA" and place us among the second-ranked nations. This means that both the government and Norwegian firms will have to pay more for their loans abroad.

Moody's has put Norway under special observation, and a downgrading will not take place until after meet'ngs between representatives from the institute and Norwegian authorities in June. Still, it is clear that Moody's sceptical attitude towards Norway's high rating also implies a strong scepticism towards the economic policy which is conducted in this country. Countries with a worse economic situation than Norway have a high rating. The finance people AFTENPOSTEN talked with believe that this is more a matter of what economic management the country has than actual economic conditions.

High Cost

According to Reuter, Moody's considers it important that Norway's debt amounts to approximately \$ 10.6 billion. According to Moody's, low oil prices and a high cost level will lead to large deficits in proportion to foreign countries in the future, and will make Norway one of the most indebted countries in Europe.

The Oslo municipality, Norges Kommunalbank, and Eksportfinans which previously all were rated "AAA", and the three large banks, Den norske Creditbank, Kreditkassen, and Bergen Bank are running the risk of being downgraded.

Denmark which is now considered less creditworthy than Norway is also being watched.

Yesterday morning, finance minister Gunnar Berge was told that Moody's will initiate an investigation to consider Norway's reliability as a borrower country. He points out that no decision regarding a downgrading has been taken yet.

Warning

"However, this is a new, definite warning to conduct a strict economic policy and to improve our competitiveness," says Berge. Still, he believes that there is no reason to overdramatize Moody's evaluations.

Both finance minister Berge and central bank manager Hermod Skanland believe that a possible downgrading would lead to worse credit terms for Norway and Norwegian companies abroad. But they do not think it would become more difficult to obtain a loan. None of them ventures an estimate how much Norway will lose because of the less advantageous terms which are the result of a downgrading or how much Norway's loan interest rate abroad could increase.

"For the Norwegian state a possible downgrading does not mean that much, because it is not dependent on taking up new loans abroad," says Skanland. It will mean more for the institutions which are mentioned in Moody's evaluationen, he believes. Skanland points out that a potential change in loan terms will not affect loans that have already been granted.

The head of the central bank is very surprised that Moody's decided to come out with its evaluations at this time. He believes the institute must have a relatively limited basis for its evaluations, and he points out that this is happening only a short time before the institute is scheduled to have its regular meetings with Norwegian financial authorities.

Important in United States

The financial people with whom AFTENPOSTEN talked say the fact that Norway has now been placed on Moody's special alert list for borrowers comes as a surprise. This will have the greatest impact on loan markets in the United States, but the whole international financial world will take note, and the ripple effect can be considerable. It is pointed out that decreasing confidence in the Norwegian economy could mean not only higher loan interest abroad, but the confidence in the Norwegian stock market could also be weakened.

"This is an important signal we must pay attention to, and it shows that the type of economic policy a country conducts is essential," says managing director Leif Terje Loddessol of Den norske Creditbank.

He believes, however, that a potential downgrading by Moody's will not have direct consequences for the companies and institutions, among them DnM, which the institute evaluates. "These companies have a strong position on foreign loan markets, and international liquidity is high," says Loddessol.

More Expensive

"A downgrading of Norway by Moody's would be quite remarkable. This would make all Norwegian loans on foreign markets more expensive," says bank manager Sverre Walter Rostoft of Kreditkassen. If Kreditkassen were to be downgraded as well, this would show how all Norwegian financial institutions and companies depend on the country's creditworthiness," he says.

According to information received by AFTENPOSTEN, no companies or institutions in a country can be rated more creditworthy than the nation itself.

"If this will be carried out, our deposits will become more expensive, and our loans to Norwegian exporters will also become more expensive. This will mean an additional burden for that part of the industry which must obtain financing abroad. But this is difficult to quantify," says director Tor Johansen of Eksportfinans.

12831

CSO: 3639/57

GROWTH FIGURES FOR 1983-1986 REVISED UPWARD

Oslo AFTENPOSTEN in Norwegian 12 May 87 p 44

[Article by Cecilie Norland: "Norwegian Economy Expanding"]

[Text] Last year, the Norwegian economy grew by a full 4.4 percent. For the period 1983-1986, one of the strongest continuous growth periods we have had since the war, the average growth rate was a full five percent per year.

This is according to revised national accounting figures by the Central Bureau for Statistics. The growth in the gross national product last year has been revised upward to 4.4 percent from a previous estimate of 3.8 percent.

Growth in total domestic demand was also higher than calculated--a full nine percent last year. When the bureau announced its previous estimates in February, it calculated the increase in demand to be 7.4 percent.

Decrease in Real Income

Last year, investment growth was also stronger than previously calculated. Previous estimates were 15.2 percent growth. Now the bureau says 19.7 percent.

Last year, the development in real income of households was lower than previously assumed. Real income increased by only 1.9 percent, the estimate in February was 2.1 percent. Employment also increased considerably last year. The growth rate was a full 3.4 percent, the strongest increase Norway has had since the war.

The value of Norwegian export and the trade balance with foreign countries decreased considerably last year. The deficit of 32.8 billion 1986 accounted for 6.4 percent of the gross national product, and in terms of kroner the deficit reached a record level. The export share in the gross national product has come down to 37.6%, the lowest level since 1949.

Growth Rate of 21.7 Percent

Together with the revised figures of last year the bureau also presented new figures for the overall growth period 1983-86. The gross national product in

Norway increased a full 21.7 percent during this period, which comes to an annualized growth rate of five percent. Growth in overall domestic demand was also very strong--20.5 percent over the whole period and 4.8 percent on an annualized basis. Industrial growth was somewhat more moderate. Both exports and imports increased strongly in the years 1983-86. Total exports increased by 30 percent, and 29 percent of this growth occurred in the years 1983-85. Imports increased by 28 percent; here, almost all growth occurred in the period 1984-86.

The country's gross revenues increased in value by almost 47 percent during this period, but due to the price increase disposable disposable real income increased by only 11 percent.

12831

CSO: 3639/57

GOVERNMENT AGENCY REPORTS REDUCED INFLATIONARY PRESSURES

Oslo AFTENPOSTEN in Norwegian 12 May 87 p 44

[Article by Truls Martinsen: "Price Development on the Right Course"]

[Text] It looks as though the price development is going as expected. Particularly in the trade organizations the latest price index is registered with a certain relief. Between March and April prices increased 0.3 percent. The inflation rate on a twelve months basis decreased from 10.4 percent in March to 10.0 percent in April. On April 15, the consumer price index of the Central Bureau for Statistics stood at 197.2 versus 196.6 the previous month.

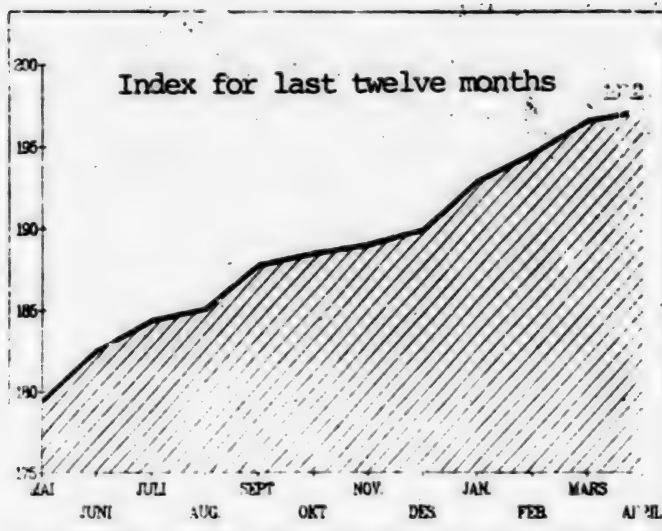
The price development last month was in line with Norges Bank projections before July. We should be approaching a peak in March of this year, then a small reduction in April. But in May, the rate of price increases will go up again somewhat, probably three to four tenth of a percent.

But then the rate will gradually decrease for the rest of the year to 6 or 6.5 percent towards the end of the year.

"Ensuring that this development holds up is very important in order to maintain a calm year with regard to labor negotiations. The zero settlement for the whole year is actually based on the assumption that these prognoses will hold up. What was done during the zero settlement was to move the perspective of a price increase from the negotiation time in March, when the price increase was highest, to the end of the year.

Bright Spot

Leif Haraldseth, acting head of the Norwegian Federation of Trade Unions, tells AFTENPOSTEN that the last price increase figures provide a small, bright spot. "This supports the prognosis the government has provided for price increases and the basis for this years settlement," he says. Haraldseth points out that it is important for Norway to come down to a rate of price increases of approximately six percent by the end of the year. This will bring the wage overhang in 1988 down and our cost closer to the level of countries which are competing with us.



Managing director Pal Kraby of the Norwegian Employers' Confederation considers it fortunate that the price development is on the right track, and that for the time being the assumptions seem to be right.

"The parties to the wage settlements should arrange themselves according to the development which we now believe to be underway," he says.

Cabinet minister Stein Reegard of the Ministry of Consumer Affairs and Government Administration says that the last price increase report indicates that we have now reached a turning point. The price increase from March to April was somewhat more favorable than one had expected beforehand.

The exchange market reacted directly to the last price increase figures. The kroner exchange rate gained one quarter percent.

"The reaction on the foreign exchange market shows that our message regarding price development has had an impact," department head Jan Fr. Qvigstad of Norges Bank tells AFTENPOSTEN.

If one looks at the inflation rate over a twelve-month period as an isolated event, the most important explanation of what is about to happen can be found in last year's price development. After the devaluation in May of last year it was high. So far this year, the price increase has been relatively moderate, but the price increase we are carrying over from last year has a strong impact on the twelve-month rate. If the prognoses turn out to be true and the rate of price increases will go down again starting in June, this will also show clearly that the devaluation last year had a one-time impact on the price development which will stop this month.

Expensive Clothing

The price increase for clothing and shoes contributed most to the average price increase of .3 percent between March and April. Prices for these consumer goods increased by 1.3 percent. Food prices decreased .2 percent in the same month, and the drop in coffee prices contributed considerably. Otherwise, only small or no price increases were registered.

12831

CSO: 3639/57

SWEDISH FINANCIER SEES POSITIVE TRENDS IN COUNTRY'S ECONOMY

Oslo AFTENPOSTEN in Norwegian 12 May 87 p 46

[Article by Kjell Aaserud: "If I were Norwegian, I would be Optimistic"]

[Text] "If a country cannot compete on the international markets it must devalue. But devaluation is a desperate act on the part of the authorities," answers one of Sweden's major industrial leaders to an AFTENPOSTEN question whether Norway has a future as an industrial nation considering her cost level and high inflation. When one devalues, one will also take back lost market shares.

Hans Werthen reminds us that Sweden in the seventies devaluated four times. Even though he feels that inflation in Sweden continues to be too high (Norway's inflation is 2-2.5 times higher) the country has had a very long period of labor peace. "The union" itself has larger wage earner funds. One is "bending over backwards" because in a conflict it is always the wage earners who suffer the greatest losses.

Five years and 10 billion

Together with Stig Larsson, managing director of Ericsson Information Systems (EIS), Werthen was in Norway to inspect the Norwegian subsidiary of the same name. "A very well run company," both say about the Norwegian satellite which is making money, even though on a value basis EIS has made a loss so far, despite sales of 10 billion kroner.

"This has been a long-term effort. EIS has been built up over five years, and this year it will break even or show a small profit," say Werthen and Larsson, who both state that in Norway, too, one has to be realistic that one day price increases cannot be put up with any longer.

In Sweden, Hans Werthen, chairman of the board of both Electrolux and L.M. Ericsson with altogether approximately 200,000 employees and annual sales of approximately 100 billion kroner, is known as a friend of Norway. This can be explained by the fact that in Europe it is only Italy which purchases more goods from the Ericsson group than Norway, but a more likely reason is the fact that he is one of our country's best tourist customers. For 25 years he

has spent New Year and Easter at Holms hotel in Geilo. Before the war his parents were frequent guests at Holms hotel. Last Easter he brought the whole family along--not for downhill skiing, but for cross-country.

Gas to Sweden

"But Norway has difficulties as an industrial nation?"

"One must not paint this too black," says Werthen. "Norway is perhaps the most qualified oil country in the world because of the difficult conditions under which oil is pumped out. Now comes gas. If I were Norwegian, I would be optimistic. Personally, I believe that Norwegian gas will replace uranium in the Swedish power plants. One must not despair because the "physical industry" is reduced. This is done everywhere, but it does not disappear. Specialists will be more and more in charge of creating value. Finland is now at the point where one engineer creates exactly the same value as three regular industrial workers.

Otherwise, Werthen has great confidence in Nordic industrial cooperation. Today, no country has a large enough domestic market. Sweden, Finland, and Norway together will have a market of approximately 18 million people. This gives strength to the outside. We must learn under all circumstances to live together in the world which surrounds us.

Well Qualified Consumers

When Werthen visits EIS in Norway he does not move like a solo player. In addition to the president of the Swedish EIS, Norwegian president William Svedberg and information chief Gunnar Grythe ensure that he takes with him the impression he should take along. Svedberg points out that Norwegians are what he calls well qualified consumers of the equipment EIS supplies and has increasingly great success with in most counties. During Werthen's visit, for instance, EIS got a considerable contract from the university. Werthen himself has not doubt that EIS will continue to develop in Norway as well.

"Did Electrolux and Ericsson grow by attacking other companies?"

"As a rule, this should not happen. I do not believe that we have, for instance, unfriendly take-overs in Sweden," says Hans Werthen. "I myself are more concerned that the different enterprises "stir" themselves free in the various countries, in any case in the North. Finnish companies have gradually become much larger in Sweden. Hydro and Statoil are well on their way. This must simply continue."

12831
3639/57

'SCENARIO FOR NORWAY TOWARD YEAR 2000' PREDICTS TRENDS

AFTENPOSTEN in Norwegian 13 May 87 p 5

[Article by Cato Guhnfeldt: "Norway Towards the Year 2000: Harder Times for Norwegian Industry"]

[Text] Norway must concentrate more on product development and processing. Industry must prepare for tougher domestic competition. The centralization of companies will increase. But industry could not reach the level within the oil sector becomes too strong in the nineties.

Towards the year 2000 there will be more variety in Norwegian society. We will have more subcultures. And risk both social and cultural derationalization. This and much more are the results of topical studies as part of the research project 'Scenarios for Norway Towards the Year 2000'.

According to the project group, in the coming years Norway will face a number of great challenges, both industrial, economic, social, and cultural. Many of these challenges will come up in full force within a relatively short period. Against this background the project group under the leadership of Terje Osmundsen, personal advisor to Cabinet minister Kåre Willoch, is preparing three 'scenarios'--or pictures of what Norwegian society could be like around the year 2000. The topical studies, parts of which are made public now, will give details of the scenarios which will finally be presented. This will take place in October of this year.

According to the partial studies, in the economic context oil is and will remain a key factor. But at the same time there is a large question mark regarding the advantages of a high investment level within this sector in the nineties. They warn against such a line and point out at the same time that lower oil investments could free up resources which could benefit other parts of Norwegian industry. It seems to be evident that a good oil price in the nineties could mean considerable public savings. But a low oil price will still not mean a crisis for Norway; they point out that today's starting base is too good for that to happen.

Materials Technology

Little or no growth is expected in the world economy over the next three to four years. Among other things, this will require that Norwegian industry must follow the development in the markets we are dependent on even better than previously. At the same time, Norway which today is primarily a supplier of raw materials, must develop a larger share of technology-oriented, product developing industry. The research group emphasizes that in the future, concentrating on materials technology will be of crucial importance for the country.

It is expected that the EC will continue the development towards an internal trade market, something which could at the same time increase protectionism against third countries such as Norway. Today, we sell more than 70 percent of our goods and services to the EC market. One of the group's three scenarios will include an assessment of a future Norwegian EC membership. Regardless of this development, in the meantime Norway must find resources to meet the demand which a further developed EC will make.

Surge in Number of Older People

The research group also examined expected population changes, including the two upcoming surges in the number of older people which we will start to notice around 1995 and 2010 respectively. Further, Norway will see a development in the direction of smaller families, more single people, high female employment. Generally, Norwegian society will become more varied, have more subcultures, particularly in the larger cities. Today's more regional moving patterns will become more centralized in the nineties. It is expected that the closing of peripheral industries, possibly less expansion of public activities in the regions as a consequence of tighter budgets will only reinforce this development.

12831

CSO: 3639/57

ENTREPRENEURS CONSIDER PRIVATIZATION 'URGENT'

Lisbon EXPRESSO in Portuguese 1 Aug 87 pp 1, 4

[Text] The overwhelming majority of business owners consider the privatization of public enterprises an "urgent" or "very urgent" matter, while only 10 percent maintain that this process is "not very" or even "not at all very" urgently needed. These results were learned from the monthly poll taken by the Businessmen/EXPRESSO panel for the month of June, even before PSD's [Social Democratic Party] electoral victory was known.

The business owners' expectations regarding the revision of the economic section of the Constitution relating to this subject have thereby been confirmed, not only concerning the direction of the anticipated change, but also with respect to the speed with which it is desired that the process be carried out.

Most of the business owners, however, think that the privatization should not apply to either a small number of public enterprises or most of them, but only to a few of the present ones.

Nevertheless, more than one out of every five queried would agree that the privatization process should include most of the EP's [Public Enterprises].

It should be recalled that the EXPRESSO/Euroexpansion polls published at the beginning of July indicated that, among the Portuguese over age 18, a majority of nearly 68 percent maintained that the public enterprises should be totally or partially privatized.

Comparing those results with the indications obtained through the panel, one quickly concludes that the opinion favoring privatization is considerably more prevalent among the entrepreneurial class than among the Portuguese population as a whole.

The panel's consultation, made in early July regarding the economic situation in June, warrants the conclusion that business activity is growing at a slower rate than that occurring at the beginning of the year. In the section on business expectations, the panel shows a considerable improvement in the mood relating to the progress of business during the next 3 months, and a significant erosion of the expectations over the longer term.

The activity of business firms may have expanded little between May and June, although it has remained at levels much higher than those attained a year ago. On the other hand, while the expectations for short-term growth of business underwent an appreciable improvement, insofar as the medium term is concerned, although they are still quite positive, they continue to show some deterioration.

During the entire first half of this year, it was only in March that the members of the Businessmen/EXPRESSO panel who thought that the activity of their business firms had improved over the previous month numbered as few as in June (34.8 percent). However, while the balance of the extreme responses is now 30 percent, when the business owners compare June with May, that same balance remains at about 77 percent, when the comparison is made with what happened exactly a year ago. The graph on this page enables one to observe that this has been the constant average balance since the beginning of 1987.

The business expectations for the medium term are still largely favorable, but in June there was a drop of 5 percentage points among the group of them who expect to see their business grow or grow much during the next 12 months. The percentage of those queried who are of this opinion is now the lowest of the whole year: 76.7 percent. Conversely, in June the record of responses indicating the mere maintenance of the business level over the medium term was broken: 21 percent of the business owners thought that this would occur in their firms throughout the following 12 months.

The short-term business expectations, in turn, experienced a strong recovery, in contrast to the decline that they had undergone at the end of May. This change may have been influenced by the fact that political uncertainty was less impacting last month than in May, when the assembly of the Republic had voted on the motion to censure the government.

Now, two out of every three business owners are optimistic about an improvement in their business 3 months hence, while less than a third of all of them expect to see it remain at the current level.

The Businessmen/EXPRESSO panel survey is taken through regular consultations held every months with a stabilized universe of nearly 50 managers and business owners representing the mood experienced among the leading economic sectors of national activity.

Value of the Escudo Not Convincing

Throughout the first 6 months of the year, more than a third of the business owners on the panel consistently thought that "the exchange value of the escudo" constituted a factor influencing the activity of their firms in a more negative way than during the previous month.

This constant displeasure regarding the exchange rate for the national currency became marked in June, when nearly half of those queried agreed with this

view. It was also in June that there was the lowest percentage of responses claiming that the evolution in the exchange value of the escudo was favorable for business.

The constant negative balance of which the exchange policy pursued by Cavaco Silva's first government has been a target is all the more significant since, throughout this year, the dollar has lost value vis-a-vis the escudo, while we have simultaneously witnessed a general reduction in the cost (in dollars) of raw materials.

Domestic Demand Slowing Down?

Since January, the panel's businessmen have thought that the "domestic demand" has become stronger from one month to the next, based on the activity of their business firms. However, when one analyzes the results of the monthly surveys taken throughout this year, this variable's gradual loss of impact on business expansion becomes obvious.

For example, at the beginning of 1987, over 60 percent of those queried admitted a positive evolution in "domestic demand." Six months later, only 36 percent have the same opinion. Nevertheless, between the first and last month of this period, there was no appreciable increase in the number of business owners who considered their business negatively affected by the evolution of the "domestic demand."

Since this variable consists of either consumption or investment, it remains to be seen which of these two factors will be in a slowdown as a stimulant for production. Or will the government's measures to curb consumption be already noticeable?

The "big three" of the Businessmen/EXPRESSO panel for June number four! In fact, 22.7 percent of those polled consider "domestic demand" one of the two factors with the most positive effect on their firms' activity throughout that month. The same percentage cite "political stability" as one of the elements in the current situation with the greatest negative impact on business during the same period. In this tied context, both factors won the honor of ranking among the "big three" for June.

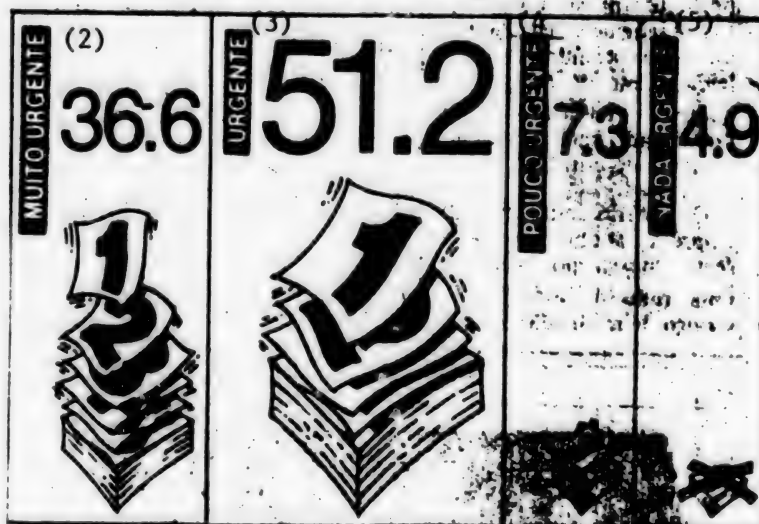
However, the panel's view of both is not exactly the same; since there are some who think quite the opposite. For example, 2.3 percent consider "political instability" the circumstantial element with the most positive effect on business activity (we should remember that the response to the question was given before 19 July); while 4.5 percent stress that "external demand" had negative effects on the evolution of their business throughout June.

With these two variables given prominence, there appear the "exchange value of the escudo" and "domestic demand." Regarded for many months as the factor with the most positive impact on the evolution of business firms, "domestic demand" is now equal in negative references to the "exchange value of the escudo." We must not conclude from this that there is starting to appear among

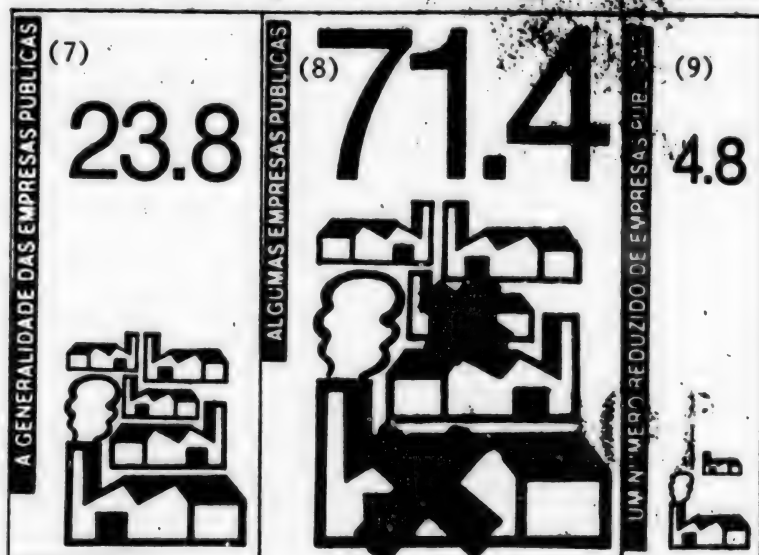
business owners a strong pressure for devaluation of the national currency. In fact, nearly 10 percent of those queried claim that the exchange value of the escudo was one of the two factors with the most positive effect on the progress of their business.

Based on the methodology for our poll, each business owner questioned could choose the two factors with the most positive effects on the activity of his firm, and another two with the opposite impact.

(1) A PRIVATIZAÇÃO É:



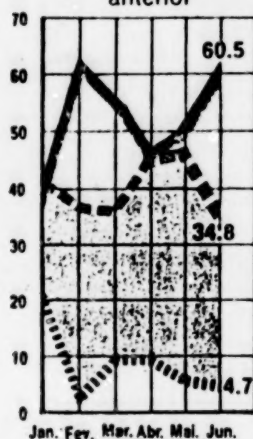
(6) A PRIVATIZAÇÃO DEVERÁ ENVOLVER:



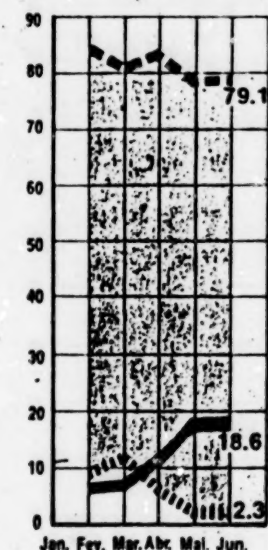
1. Privatization is:
2. Very urgent
3. Urgent
4. Slightly urgent
5. Not at all urgent

6. Privatization should involve:
7. Public enterprises in general
8. Some public enterprises
9. A small number of public enterprises

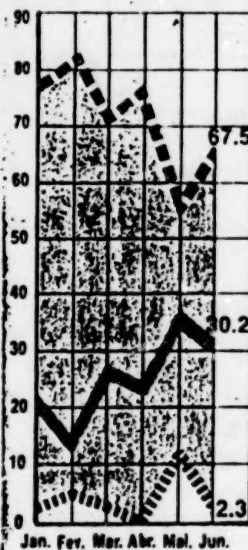
(2) em relação ao mês anterior



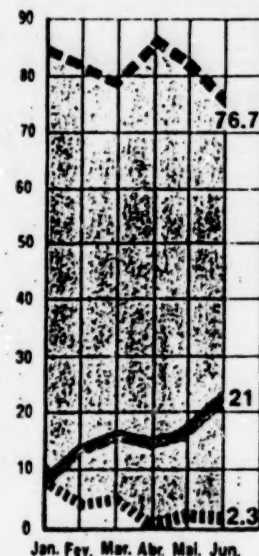
(3)
em relação ao mesmo mês
do ano anterior



(13)
os negócios
nos próximos 3 meses



(14) os negócios
nos próximos 12 meses



Jan. Feb. Mar. Apr. May. Jun.
(4) (5) (6) (7)
■■■■■ — Melhorou/melhorou muito.
■■■■■■■■ — Piorou/piorou muito. (8)
■■■■■■■■■■ — Mantve. (9)

(11) ~~Saldo positivo~~ — Saldo positivo. (10)

A quebra do ritmo de crescimento da atividade empresarial é desdramatizada pela expectativa de melhoria dos negócios nos próximos três meses

(15)

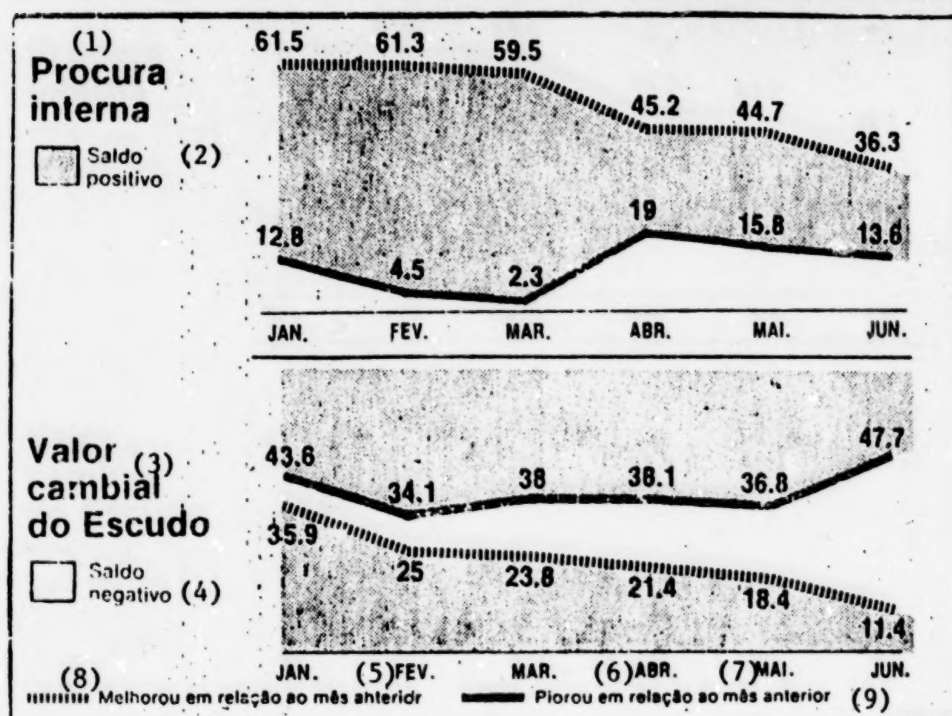
■ ■ ■ - Vão crescer/crescer muito

■■■■■■■ - Vão reduzir-se/reduzir-se

(16)

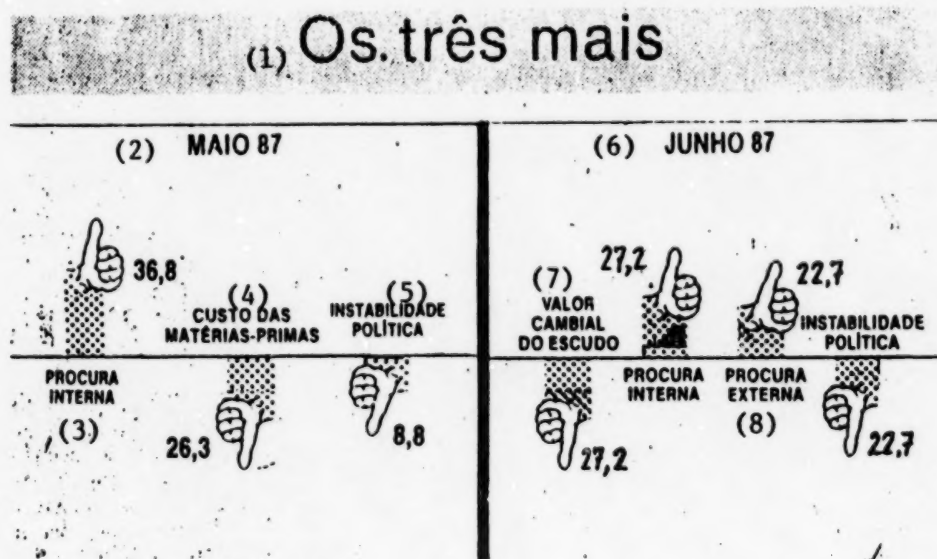
(17)
 Saldo - Ydo manter-se.
 Saldo positivo.

1. Business activity
2. In comparison with the previous month
3. In comparison with the same month of the previous year
4. Feb
5. Apr
6. May
7. Improved/improved greatly
8. Worsened/worsened greatly
9. Remained steady
10. Positive balance
11. The decline in the rate of growth in business activity loses its drama with the expectation of business improvement over the next 3 months.



Key to Graph 3:

- | | |
|---------------------------------|--|
| 1. Domestic demand | 5. Feb |
| 2. Positive balance | 6. Apr |
| 3. Exchange value of the escudo | 7. May |
| 4. Negative balance | 8. Improved over the previous month |
| | 9. Worsened with respect to the previous month |



Key to Graph 4:

- 1. The Big Three**
- 2. May**
- 3. Domestic demand**
- 4. Cost of raw materials**
- 5. Political instability**
- 6. June**
- 7. Exchange value of the escudo**
- 8. External demand**

2909

CSO: 8042/4497

END

END OF

FICHE

DATE FILMED

16 Oct 87